

JPRS 82759

28 January 1983

Southeast Asia Report

No. 1246



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FINNISH INQUIRY PANEL ISSUES KAMPUCHEA REPORT IN ENGLISH

Stockholm DAGENS NYHETER in Swedish 5 Jan 83 p 9

[Text] Four years ago Friday Vietnamese armoured units pushed into Kampuchea's capital Phnom Penh and deposed the Pol Pot. But the Kampuchean satellite government which was installed is still completely powerless, according to a Finnish investigation.

The Heng Samrin government does not even have its own budget. It pays current expenses with contributions from Vietnam and the Soviet Union.

Its most important support in the country is the 160 members of the pro-Vietnam Communist Party. Eighty-one of the 160 sit in parliament.

The every day economy is based on a completely free market. The 60 factories which were in operation under the Pol Pot are shut down. Apparently, Kampuchea is in the process of being incorporated in CEMA as a producer of cotton and rubber.

Nonpartisan picture

This is evident from the most comprehensive investigation which has been made into Kampuchea's catastrophe. "Kampuchea in the Seventies, Report of a Finnish Inquiry Commission," published in summary in December.

The Commission has been working for two years. The 22 Finnish members are public figures of high position.

The Commission was established as a result of the acute crisis of 1979-80, and the purpose was to present a nonpartisan picture of Kampuchea's problem. The Finnish Foreign Ministry, the Ministry of Education, the Finnish Academy and the Asiatic Institute in Copenhagen have underwritten the costs of the Commission's work.

No One Praised

Neither the Pol Pot government out in the jungle nor the Heng Samrin government in Phnom Penh have any reason to regard itself flattered by the report.

The Pol Pot government had high goals for the development of the country but did not spare any means and committed serious crimes against its own people.

Close to 100,000 people were executed during Pol Pot time according to an estimate which the Commission considers reliable. In addition, hundreds of thousands people died as a result of privation and illness because of the regime's hard policies.

Today the only remnant of the Pol Pot regime is a band of 35,000 soldiers and 100,000 civilians by the Thai border.

"Loathing for the Pol Pot is a greater asset for the Heng Samrin government than its own policies," the report states.

The Commission does not see any easy solution to the current situation in which 180,000 Vietnamese soldiers support a vassal government in Phnom Penh.

Critical of the UN

The Commission criticizes the UN majority for demanding that Vietnam leave Kampuchea rather than taking a more "realistic" position.

The reports on the victims of the Pol Pot period which have been spread by Vietnam and its friends are clearly false, the Commission believes.

"When they wanted in 1979 to justify Vietnam's invasion, they maintained that the Pol Pot had murdered all but four million of the Kampuchians. When they wanted to provide the basis for food assistance from the surrounding world a few years later, the population figure rose to seven million.

The reports that the Pol Pot murdered all the intellectuals in the country are also rejected.

"The surrounding world believed these stories for a long time. But when the large groups of refugees came to Thailand after the Vietnam invasion, it was apparent that they were untrue. Many teachers were among them. And the physicians had largely left before the time of the Pol Pot.

But Kampuchea's suffering is not less for this. During the seventies one-third of the inhabitants or three million people were killed by the Lon Nol and Pol Pot regimes and by attacks by the U.S. and Vietnam.

6893

CSO: 3650/88

EDITORIAL NOTES EMPLOYMENT POLICY GUIDANCE, OBJECTIVES FOR WOMEN

Vientiane MEGNING LAO in Lao Sep 82 p 2

[Editorial: "Be Prepared to Carry Out the Plan for Improving the Organization Mechanism of the Party and Government"]

[Text] Through over 30 years of the anti-imperialist struggle for national salvation, and over 6 years of the defence and construction of the nation, there were a great many women who made sacrifices by leaving their families to join the revolution. They scored a fairly great number of achievements, and contributed to the nation's general victory. This is an expansion of the heritage of the nation's brave struggle, and it is a glorious honor of our Lao women.

Now our country is completely liberated and is gradually advancing to socialist construction. In wishing our country to become a strong socialist country, first of all we must have a solid economic base and strong national security in order to fight against any enemies' tricks that are meant to destroy us, and we must maintain the security and happiness of the people.

Therefore, the party has adopted a plan to improve and direct the machinery of the party and government and the mass organizations to be well-fitting and highly efficient. The directions of the higher echelons for assignments in carrying out the work are as follows.

Qualified and capable government cadres must be assigned according to the current needs.

Those not assigned will go to the state production areas. Those who do not have a particular specialized task might go to collective or family and individual economic construction, depending on the actual situation.

Youth who have a long future will be sent for different specialized task training, and will return to serve in production or to increase the military forces.

Those who have contacted diseases and are sick will be treated.

Those who reach the age of retirement or are sick will go to rest. Those who have not yet reached the age of retirement but are in poor health, and have a doctor's excuse, also will go to rest.

Our party and government are always concerned and love cadres and government employees of both sexes. They want everyone to effectively carry out his own obligations toward the nation, and to receive his material and spiritual rights and benefits based on his contribution.

Based on the assignment directions of the higher echelons, we Lao women who are under the mechanism of the party and government and the mass organizations together must prepare and be ready to follow the direction and guidance of the party and government.

Those who are assigned to shoulder the work in the administrative mechanism of the party and government and the mass organizations should cheerfully welcome the hard work the organizations have assigned to them, and should be determined to carry it out at their best.

Those who are young and prepared to study should determinedly study so they can train themselves for good vocational skills. Meanwhile, they should determinedly train themselves so they will become knowledgeable in all aspects for which the party and government have invested money in them.

Those who are still healthy should look at themselves to see where they are. If you think you have enough good specialized tasks to do the job you should turn to state production. Those who are teachers should volunteer to do actual teaching to contribute to the new generation of the country. Nowadays schools are continually expanding. There is a great shortage of teachers. Those who are doctors should volunteer to work in different hospitals to take part in maintaining the good health of the people of all nationalities. This is because the number of basic and mid-level doctors is considered to be fairly good; however, not many of them do their work seriously.

Those who do not have a specialized task but instead have good workmanship in the family economy, silk weaving, embroidery, or animal husbandry, should turn to build up the family economy. The family economy is considered to be an important part of the national economy in socialism.

Those who are sick should sincerely report to the organizations asking for government or traditional medicines, depending on the actual situation in order to treat and improve their health so they can carry out their duties better.

Those who are senior cadres should check whether they have reached the age of retirement (the age of women to retire is 55). How is your health? If you have reached this age and your health is not assured you should leave work to rest and receive a pension based on the party and government's set plan. This way you will live longer and can take part in training those who will carry on your duty in your place.

After you have studied the documents for improving the mechanism in organizations, we hope all cadres and government employees who are working under the government to review themselves and cheerfully carry out the guiding plan of the party and the government. "MEGNING LAO"

9884

CS0: 4206/31

REGULATIONS ON DIVORCE NOTED

Vientiane NOUM LAO in Lao 15-30 Oct 82 p 4

['Friends Ask We Answer' Column]

[Excerpts] [Question] Dear readers. In today's NOUM LAO column we are printing a question from Kingkeo, a Security Youth (Ministry of Interior). The question is as follows:

1) A couple has been married for 8 years, and they do not have any children. If the husband wants a divorce but the wife does not, what can be done about this problem?

[Answer] First of all, NOUM LAO would like to congratulate Kingkeo, Youth Security of the Ministry of Interior, for her interest in many questions and in asking NOUM LAO to solve them. We shall discuss the problem as follows.

1. The decision to marry is based on love and is a decision of both parties. After that the organization studies and approves the marriage license based on their request. They do not have the right to divorce by themselves. Even though after the marriage something happens to either husband or wife, e.g., blindness, loss of limb, or other kind of handicap, they absolutely have no right to do so. This means to live together all their lives. As the old saying goes, "live together until using a gold-top cane and a diamond club."

Based on the direction and policy of the party and government that has been carried out, a couple has the right to a divorce on the following grounds:

- a) a couple with different political ideology, e.g., fleeing to the enemy, being an enemy agent to destroy the nation and the people;
- b) a couple with a serious contagious disease, e.g., leprosy, as set by the Public Health Ministry;
- c) adultery, with witnesses and confirming evidence;
- d) sterility (they have no children), if both parties agree to a divorce.

In the case of Kingkeo's question, since the wife does not want a divorce then it cannot be done. The best thing to do is that Kingkeo should suggest to the couple that they discuss it further with a doctor. Maybe the doctor can help them. If it is really necessary they should ask to take care of her brother or sister's children, if they have many children, in order to make the husband feel better. The best way out is to discuss it with the organization involved. They might have some advice and a good solution.

9884

CSO: 4206/31

THONGVIN PHOMVIHAN PROFILED, MARRIAGE TO KAYSONE REPORTED

Vientiane MEGNING LAO in Lao 8 Oct 82 pp 8, 9, 12, 14

[Article by Khamphon Phimmaseng: "Full Representatives of the Lao Women's Association Who Attended the Third Party Congress: Review of Revolutionary Movement of Comrade Thongvin Phomvihan"]

[Text] Comrade Thongvin Phomvihan was born in the first month of the lunar year 1938 and grew up in a farmer's family in Ban Hinsiu, Sakai Canton, Nasaithong District, Vientiane Capital, in the midst of the revolutionary movement against the French imperialist invaders.

Because the brilliance of the revolution quickly shone to the flatland of Vientiane, as Miss Thongvin grew up she saw only her mother and younger brothers make their living along with the villagers. She did not know when her father went to the jungle to become a Lao Issara [Free Lao Front] cadre. Her mother, like other resistance cadres' wives, had to shoulder the work of bringing up her children in place of her husband.

When Thongvin became a teenager she graduated from the 4th year of elementary school. However, she had to quit school to help her mother in the housework because she was the only girl in her family. The organization recognized her learning ability and so the village organization appointed her to be the village elementary school teacher to teach the people and to eliminate illiteracy. She taught small children in the daytime and adults at night. She taught and learned at the same time. Moreover, she joined cadres in the village to mobilize and lead the people's struggle in all forms against the French imperialist invaders and their henchmen, the traitors.

In November 1950 because of the demands of the work she said goodbye to her mother and brothers and went on assignment to the mobilization unit of Thoulakhom District. The following year she was transferred to the provincial mobilization unit, and also became a clerk in the Lao Women's Association of Sisattanak Province [as published]. In whatever she was assigned she put all her intellect and energy into accomplishing her duty. Her outstanding characteristic was her glorious voice. She sang stories and songs beautifully. At each gathering, if the people did not hear her singing about the Nam Ngum, about the Mekong River and doing the Lamtia [a Lao show with dancing while singing], they would not leave. Even though sometimes there was a lot of work and she felt tired, when

the people asked for her golden voice she never refused. Therefore, wherever she went she was warmly welcomed and loved by the people.

In mid-1952 she was assigned to go with Mrs Bounthai to work along the Mekong shore. Within 3 months the two women achieved their duty and safely returned to the provincial office. This was the year she was selected to be a representative of the Lao Women's Association to attend the International Women's Conference. However, because she had to travel through many remote provincial areas, her trip was delayed and she was not in time for the conference. It was late in that year when she returned and reached the Houa Phan provincial center, the stronghold of the revolution. She was assigned to be stationed in the mobilization unit of the central echelon, and worked diligently in Houa Phan Province.

In the spring of 1953 the leaves were burnt to ashes in the wild grass fields in Kanglongkou and Nakai, and when the Lao grass started its new roots the fields were all beautiful and covered with green. The flowers [competed with each other] to bloom all over the mountain areas in Houa Phan, the stronghold of the revolution. It was a signal for the Houa Phan people that it would soon be the national New Year festival. It was at this time on this historic land that Miss Thongvin met Comrade Kaysone Phomvihan for the first time. The faces of both began to be impressed in their empty hearts. The pure love between Comrade Kaysone Phomvihan and Miss Thongvin had begun. All levels of organizations approved and prepared to arrange the wedding for them. But Miss Thongvin asked to wait so she could do more work first. The organization accepted her request and assigned her to go to build up a base in Luang Prabang Province for one year. After she succeeded in her duty she returned to the center. The organization arranged for Comrade Kaysone to meet her and to ask for her final decision. Comrade Kaysone did not talk long to waste time. He simply asked whether she had thought it over and what her decision was. On his part, he said that he had already decided a long time ago. His speech was short, respectful, and proud as when someone innocently loves you. Miss Thongvin did not know how to answer; her face was already red, and became ever more red as the flowers of the coral tree in May. She could only smile at him as a way of saying she had thought it over already and had made her decision. After that the wedding ceremony for Comrade Kaysone Phomvihan and Miss Thongvin Phomvihan was held happily according to the revolutionary tradition. At the headquarters of the president of the national front, President Souphanouvong was the host in the ceremony, and also the people in Ban Bo-Pha (Viengsai District, Houa Phan Province) helped. After her marriage she was assigned to help in the National Defense Ministry's office.

In December 1954 I met and worked with Mrs Thongvin Phomvihan for the first time. It is not quite correct to say "worked with." It would be better to say that I was the one who held a lamp to help her, because at that time I knew nothing else as I had just left home and had arrived in the district only 8-9 months earlier. I was just beginning to get acquainted with the people in the district office. The province, however, sent me to work in the political office of the Ministry of National Defense. I did not know anyone, and things were difficult. At night the bandits came out shooting north and south. This even made me homesick, and I missed the district office.

One day at the club of the two political offices and staff sections, (Ban Kang That, Houa Phan) a general meeting was held in both offices to divide up the cadres to mobilize the people in order to wipe out the enemies who hid among the people. In that confusing situation, instead of the leaders' families like Mrs Thongvin going to a secure place, on the contrary she volunteered to go to mobilize the people as other cadres did. I was also assigned to be with Mrs Thongvin. The term "mobilizing the people" for me that was an embarrassing one because I knew nothing about it. I cried alone at night without telling anyone. I could not mobilize myself, so how could I mobilize the people?

I still remember well that night when we all carried our blankets to sleep in the people's houses in Ban Kang That. She said to me to put our blankets together in layers; she was afraid I would be cold because my blanket was thin. I thought how could I sleep with her. When I slept with my sister in my house I heard my sister complain to me that she [disdained duck down] (beautiful duck). I also had head lice. After thinking for a while I told her that I would sleep by myself because I had head lice. She said they were easy to get rid of. She said tomorrow I should crush custard apple leaves into a shampoo, and that would do it!

Late that day when the enemies fired at the edges of the fields Bang! Bang! I jumped to her, I did not know when, forgetting I had head lice. At night she warned me that I should not tell anyone who her husband was. If the enemies knew this they would capture the two of us. Yes, I would absolutely not tell anyone.

In the daytime I went with her and listened to her talk with the people. At night I held a lamp for her at the meetings. Sometimes I yawned over and over when the meeting still had not finished. This mobilization operation was carried out over a month. Then the provincial mobilization unit came to take our place, and we returned to the unit.

Since then, each time [Kaysoncand Thongvin] saw me pass by their house at a distance they would call me in for desert and fruit. It was the first time that I learned that Sam Neua muskelon was watermelon. One day in 1956, at the shore of the (Soi) River I was coming back from visiting (Chu Huy Man's stepfather) (a Vietnamese volunteer) and I passed by her house. Uncle Kaysone (at that time I called him uncle) called me. "Noi! Noi! Come have watermelon with sister Vin." I slowly walked to him. He told me to go get it and cut it myself. I went into their kitchen looking for the watermelon and I could not find it. Sister Vin told me that it was right in front of me. I said, "Oh! In Sam Neua we call this [muskmelon]."

"Is that right?" she said.

"Yes," I replied, "in Sam Neua we don't have to grow watermelon. The vines climb on the trees when they grow."

After being drawn to work in the Ministry of National Defense, even though she was pregnant, she tried to succeed in the work assigned to her by the office staff. [Based on the] achievement in the base construction in the past, on

3 September 1956 she was honored by becoming a member of the Lao People's Party, which was the name of our party at that time. That year she gave birth to her first baby who is the first witness of their love in Houa Phan, the land of persistence and bravery.

In 1957 the situation changed its direction. Comrade Thongvin Phonvihan carried her baby, Saisomphon, to return to her hometown to be a good citizen. This time she was assigned to join base cadres in mobilizing the people to vote for the representatives as desired by the Pathet Lao. In 1958 after finishing her duty she carried her baby to join her husband to visit her in-laws in Savannakhet following tradition. First she was worried because she was a daughter of a farmer in a rural area and that she would go to see relatives in a big house in the city. However, she decided to take the advice of the organization. When they were in her in-law's house their relatives all came to welcome them. They filled the house. Everyone wanted to see Kaysone's wife, the daughter-in-law "Issara" [the daughter-in-law who joined the Lao Free Front]. It was said that they did not have any knowledge of traditions. Comrade Thongvin could not move around even an inch because the people were all packed together. She had to sit where she was and "wai" [hold her hands together] to pay respect to older relatives until her hands grew tired. There was talk outside: "Oh! Why, the daughter-in-law Issara who lives in the jungle is so beautiful! Look, they say these people do not know the social customs, but how come she knows how to 'wai' her in-laws grandparents and older relatives very well?"

When the time for visiting the in-laws was almost up the situation changed. The reactionaries stopped selling airplane tickets to the revolutionary cadres. The situation was tense. The Vientiane leaders were arrested and jailed. The puppet administration in Vientiane started to take revenge on the old resistance cadres. A number of them were arrested. Others were barbarously murdered. At this time all of the [Lao Issara] Free Lao Front organizations were surrounded. Comrade Kayson Phomvihan had to go out to the jungle to lead and change to a new direction of nationwide struggle leaving no choice for Comrade Thongvin and the baby, and also another baby in her womb to stay with her in-laws in Savannakhet. Whatever situation she was in she still carried out her duty as a party member. Along with the base cadres, she mobilized the people to fight legally and semi-legally. Her father-in-law [grandfather] and Uncle Kong Mani joined in these activities. Moreover, she attracted a number of good people at each social level in town. Whatever happened, there would be some people who sent out the news in time. Later on the father-in-law was jailed in Dong Dam Douan Camp. She led the people to fight to free the father-in-law. It was an urgent situation when the second baby was about to be born. Her pocket money was exhausted. Her in-laws and relatives loved her and took good care of her. When she was [lying resting next to a fire after giving birth for about a month] her relatives took care of Saisongkham. However, she thought that whatever happened she had to depend primarily on herself for her living.

Thus, Comrade Thongvin Phomvihan decided to look for a job to earn some money to take care of her children, and also to help ease the burden on the relatives. She sat by the house selling green papaya salad and crushed tea leaves for chewing. Some people who felt sorry for her would come to buy papaya salad and would overpay her.

The reactionary henchmen did not leave her alone. They tried to destroy the true love between her and her family hoping to extinguish her revolutionary fervor. They told her that she should not waste her time waiting for him. "Don't you know that wherever a man goes his life is never empty? You should remarry. You are not ugly. Your face would find you a husband easily. It was heard that your husband was ambushed by the state and killed." However, she said to them, "Thank you for all your concern for my life. The love of the Lao Issara National Salvation people is pure and true and they never desert each other for no reason. Moreover, we love each other with the spirit of high ideology. We have our organization. When the organization does not say anything to me, I will not listen to any slander from any one or any group."

After psychological threats and bribes did not work the enemies planned to arrest her. Because the relatives and villagers loved her and protected her, and also because the enemies were afraid of the power of the revolution and the reputation, role, influence, and ability of Comrade Kaysone Phomvihan our beloved and respected leader, who always psychologically defeated the enemies--this made them afraid. Many high-ranking enemy military officials said, "do not touch Mrs Thongvin, otherwise her husband would bring an army here. We are afraid our Sovannakhet would turn to ashes. This caused uncertainty in their plans to arrest Comrade Thongvin Phomvihan.

In the 1962 rainy season the spies increased their search for Comrade Thongvin and also for the former resistance cadres. Every day she had to feed her two children early at night, put them to bed to prepare for news from her relatives and outside people, and be ever ready to fight against any situation. One evening, as soon as she put the dinner away, a black taxi came to park in front of the house. She was frightened and thought, "What is it this time?" She hurriedly put her small baby (Saisongkham) on her back and held her first son's arm (Saisomphon) to be ready to face the situation. Her in-laws had not yet gone to sleep. They were sitting [observing] the situation. Then there was a man of heavy build with a dark coffee colored suit who walked up the steps and came close to her and said, "based on the command of the higher echelons, tomorrow you should be ready...". Comrade Thongvin stood still and looked at that man without blinking. She saw a secret signal in the eyes of that secret cadre. She felt happy.

In order to maintain security for her in-laws, that night she planned to provoke a quarrel with her mother-in-law to trick the enemies into thinking that she left the house because of the quarrel with her in-laws.

In the morning Comrade Thongvin took 3 sets of her Lao skirts and blouses and 3 sets of clothes each for Saisomphon and Saisongkham. Saisomphon asked his mother, "Why are you taking a lot of clothes for us?" She replied, "I will take you to visit your aunt in Ban Na. We will be back in the evening. I am afraid you will be cold." Then she carried the bag, with one hand carried Saisongkham and with the other she held Saisomphon and walked out of her in-laws house with regret. After walking for a while she found a pedicab driver she could trust. They took the samlor to the taxi [station]. As soon as she arrived Mrs Bouason Sisan, Mr Sisana Sisan's wife and children arrived as planned. They took the children in the same taxi to visit "the aunt in Ban Na." When they came to

the "Ban Na" intersection they and their children got off the taxi, and walked a little, and there they met [a messenger] the organization had sent to greet them. Then they continued their trip on a trail on the map for 5 full days, when they reached a liberated zone in Phin District. After that they victoriously continued their trip to the stronghold.

When they first arrived Saisomphon felt uneasy and was shy to his father because he had probably forgotten his father's face. Saisongkham did not let his father hold him because he had not seen his father since he had been born.

After resting to gain energy, in late 1962 she was sent for supplementary education in order to increase her ability.

In 1967 she was appointed to the committee responsible for supplementary education, and also to the party committee of that place.

In 1971 she was assigned to help in the research office of the party center.

In early 1972 she was assigned to study Marxist-Leninist Theoretical School in the Socialist Republic of Vietnam.

At the Nguyen Ai Quoc school in the SRV I met and joined the movement with Comrade Thongvin Phomvihan for the second time, after we had parted the first time for our missions. Because there were only two women in this group the school put us two women to sleep in one room.

In the school bunker under wild litchi trees in (Hwai Deuk) District, Ha Tai Province, it was the historic 12 days and 12 nights when the American imperialists used B52's to bomb the capital Hanoi (1972). When we were in the shelter it was as if our ears would be torn off our heads. The sky over Hanoi that time was full of smoke from the rockets and bombs dropped by the crazy blood-thirsty American imperialists and also the smoke from the shells and missiles of the persistent and brave Vietnamese army and the people who fought back to maintain the national independence. The smoke from the crash of a B52 that was deservedly shot down made a very dark column. When the noise from the explosions got less we came out to lie down and rest and breathe. Comrade Thongvin warned me, "We should not take our shoes off. Sleep with your shoes on, so if we have to run we can do it in time."

Then we all laughed to challenge death that was crawling closer to us each second.

This time Comrade Thongvin was not so healthy. Saisongkham, the second son, was sick. Although her studies were close to completion, she had to leave them to take care of her son in order to let her husband perform his main work.

In 1976 she was appointed to the mobilization committee to train the Lao People's Revolutionary Youth Union nationwide. She was responsible as assistant chief of the training service. After that she was appointed to continue her higher level studies at a Marxist-Leninist Theoretical School in a foreign country for another 2 years.

In late 1979 she was appointed to the standing committee of the mobilization committee to train the Lao People's Revolutionary Youth Union nationwide, and was also responsible for the Propaganda, Culture, Literature, and Art Division. In 1980 she was directly responsible for the construction of the Youth Union publishing house.

At the end of April 1982 the historic Third Party Congress of the LPRP was gloriously opened in Vientiane Capital. On this glorious occasion Comrade Thongvin Phomvihan was highly honored by the congress which appointed her to the Central Committee of the LPRP. After the Third Party Congress was gloriously closed our MEGNING LAO newspaper reporter tried to find the opportunity to interview her about her feelings about this historic congress. She told us, "This Third Party Congress of the LPRP is the most historic event for the Lao people of all nationalities nationwide. This is because it was opened in the midst of the great victorious atmosphere that the people achieved in the process of the transformation and construction of socialism in the past 6 years."

This historic congress confirms the great achievements of all aspects that the Lao people achieved from the actual operation in political, social, economic, and national defense aspects. It confirms to us the persistence and strength of solidarity forces in the good judgments of cadres, government employees, and people of all levels in carrying out their complex, yet honorable obligations, for the country. Under the clear-sighted leadership of the LPRP, the LPDR not only will be able to remain firm but also will expand unflinchingly, steadily, and confidently. The correct direction and the outstanding lessons in using the victorious Marxist-Leninist theory to be consistent with the actual situation of the LPRP have advanced us to the new role. The honor of our party was raised up high and outstandingly in the international arena. This resulted in endlessly strengthening the duty of the LPDR as an outpost in Southeast Asia, and it has become trustworthy for other fraternal socialist countries.

This congress was carried out in an orderly atmosphere of great solidarity of the masses that streamed in to give joyous congratulation and support. This made the congress become a great festival.

From the Second Congress of the LPRP to the Third Party Congress and following the actual work on all the battle fronts of the revolution, the main thing was the period of constructing the new socialist society. For example, in political, cultural, economic, and national defense aspects the entire party, army, and all the Lao people of all nationalities went through a test of all periods of the revolutionary process. This caused the Lao revolutionary process to progress and expand endlessly, because the LPRP attentively trained all levels of cadres and great numbers of members to advance. This could be seen at the Third Party Congress. There was a fairly great increase in the members of the Central Committee of the LPRP. This confirmed the endless strong expansion of the LPRP in all aspects.

"As for myself, I was honored and grateful to the LPRP that has attentively helped and trained me all along. Thus, I will try to do everything I can for the revolutionary work, to struggle to achieve in all of my assignments in order to respond to the confidence and trust of the people, the nation, and the party."

9884

CSO: 4206/31

CENTRAL BANK ASSURED OF FOREIGN EXCHANGE FUND

Manila BULLETIN TODAY in English 22 Dec 82 p 23

[Text]

By the first quarter of the new year, some \$1.11 billion in foreign exchange funds would be available to the Central Bank of the Philippines to shore up the country's balance of payments position which is expected to be in the red for about \$1.0 billion by the end of this year.

These funds will be coming from the following sources:

—Approximately \$510 million worth of special drawing rights from the International Monetary Fund from which the Philippines is drawing from two of its credit facilities — a three-year stand-by credit facility and the compensatory financing facility eligible to members which suffer from export shortfalls.

—Some \$300 million from the second structural loan of the World Bank negotiations for which have already been finalized.

—The \$300 million jumbo loan being negotiated by the CB from a group of fifteen foreign banks which is expected to be signed by February.

Given these foreign exchange resources, the country's international reserves of \$2.5 billion, equivalent to four months' import payments, may be expected to be maintained at that level even after a significant reduction during this quarter.

Thus, despite a huge BOP deficit anticipated at the end of 1982, the CB still has adequate financial resources to pay for imports, service debts and slow down the depreciation of the peso.

The CB remains confident the country's debt service ratio will stay at slightly under the statutory limit of 20 per cent of the gross foreign exchange receipts the previous year.

Already, the CB has ruled out import control despite a widening balance of trade and BOP shortfalls, assuring industries of their import requirements next year so that they would always be in a position to gear up as soon as a recovery begins.

Admitting that the depreciation of the peso (10 per cent decline in 1982) is advantageous to local exports, the CB said it also checks imports and makes foreign borrowings less attractive.

NEW YORK, Dec. 21 (Reuters)—Brazil's top finance officials have asked commercial banks for a \$4.4 billion loan and a four billion dollar refinancing of debt payments due in 1983 to help it weather a liquidity crisis.

The officials made the financing requests and outlined the austerity policies which will back them at a meeting with representatives of 110 international banks here yesterday.

Brazil, with external debt officially put at \$80.2 billion but estimated by bankers as high as \$89 billion, thus joined Latin America's two other leading debtors—Mexico and Argentina—in seeking a debt refinancing. Between them, the three countries owe over \$200 billion abroad.

WORLD BANK PENALTY AFFECTS FARM PROJECTS

Manila BULLETIN TODAY in English 20 Dec 82 p 24

[Text]

The increased penalty rates imposed by multilateral financial institutions such as the World Bank on past due accounts of the Development Bank of the Philippines (DBP) have wrought havoc on the financial viability of DBP-financed agricultural projects, the Technical Board for Agricultural Credit (TBAC) said.

At the same time, those penalty rates have also compounded the arrearage problems in DBP, particularly on agricultural loans.

These were among the comments of TBAC on the World Bank mission's recommendations concerning DBP's P1.1 billion arrearages on agricultural accounts.

It pointed out that the accounts in arrears to the World Bank were charged additional interest at the basic loan interest rate on total past due amortizations irrespective of age, plus penalty charge per annum compounded monthly on the entire amount overdue.

Such a policy could have wrought havoc on

the financial viability of financed projects in agriculture, not to mention that in many instances, borrowers regarded the penalty rate as a disincentive for paying their past due obligations, it said.

This situation started in the early part of 1976 and lasted until the middle of 1978 when DBP proposed and convinced the World Bank to reduce interest rates from 36 per cent to eight per cent per annum.

TBAC sources were of the view that the World Bank suggested an actual change in penalty rates because of its observation that money market rates at that time offered an attractive investment opportunity and hence funds which otherwise should have been paid with the DBP were placed by borrowers in high-yielding money market investments.

TBAC observed that agriculture entails certain special risks which other business or production activities do not encounter. These special risks cannot be fully compensated by an interest

rate differential on agricultural loans because liquidity and not just profitability is a major objective of any bank or financial institution that wants to stay in business.

On the DBP's arrearage problems, the TBAC said that the World Bank report did not classify or categorize the arrearages in agricultural loans extended by DBP. For instance, it said, it did not compare the relative extent of agricultural accounts in arrears according to fund sources like the International Bank for Rural Development (IBRD), Asian Development Bank (ADB) and other multilateral institutions.

The DBP, it was explained, is faced by certain constraints beyond its control so that the high level of arrears in agricultural loans cannot be avoided just like in any developing countries.

TBAC cited the fact that many rice and corn areas which were financed by DBP are now tenanted. By law, tenanted lands cannot be foreclosed.

VIRATA CALLS FOR RESOURCE MOBILIZATION

Manila BULLETIN TODAY in English 20 Dec 82 p 28

[Text]

CEBU CITY (PNA) — Prime Minister Cesar Virata said the country should vigorously pursue its basic policy of improving the mobilization of its resources and likewise increase its savings from the gross national product to cut down on foreign borrowings.

Virata told a press conference that "we cannot keep on printing money and borrowing from abroad for a long time."

"We must improve the mobilization of our resources and increase our savings from the gross national product (GNP) from the present 25 per cent to at least 27 per cent to reduce our foreign borrowings," he said.

The country's GNP this year is about P34.0 billion, he said.

According to Virata, the government has been investing about 30 per cent of this gross national product in necessary government services and there has been a gap of six per cent. "So we had to borrow from abroad," he said.

The country's out-

standing credit abroad is \$138 billion and the government has availed itself of \$20 billion of this credit, he explained.

The rest of the \$118 billion goes to the private sector, Virata said.

To help the private sector, he said, the government had to go into building of infrastructure projects to aid the private sector move products from rural areas to the consumers.

Otherwise, he pointed out, development will be slow and will be outpaced by "our growing population needs."

Prime Minister Cesar Virata said Southeast Asia and Pacific region will show remarkable economic progress 10 years from now.

"Although the region had remained unnoticed until the 60s because of the process of weaning away from mother countries, cooperating towards economic success is now being shared by strong governments and private sectors,"

he said.

He cited Korea, Taiwan, Hongkong, and Singapore for their strides towards industrialization which, he said, were accomplished through emphasis on exports.

The economy in the region, including the Philippines, had grown seven per cent in real terms which is creditable if compared to others, he said.

In 1981, Virata noted that growth was placed at 6.5 per cent when it was only one per cent in industrialized countries, 2.5 per cent in developing countries and three per cent in member countries of the Organization of Petroleum Exporting Countries (OPEC).

Virata said one laudable economic step taken by the region was the diversification of fuel resources leading to lower dependency on imported oil.

"Although the world fears a 50 per cent

slump in oil supply about 50 years from now, Southeast Asia and the Pacific would not be seriously affected due to the presence of other energy substitutes now being tapped," he said.

With the government's five-year fuel diversification program, the Philippines will only be 45 per cent dependent on imported fuel by 1987 unlike the current 68 per cent, he added.

Virata, however, said that one of the economic constraints the country will undergo until the 90s will be the high cost of capital.

He said the government is trying to raise per capita growth from the present two per cent to an ideal five or six per cent to upgrade the economic level of the people.

In terms of food sufficiency, he said Asia is diversifying cropping patterns since monocultures have been proven insufficient. (PNA).

MINI HYDRO PLANTS URGED FOR REGION

Manila BULLETIN TODAY in English 20 Dec 82 p 28

[Text]

BACOLOD CITY (PNA) — The national electrification administration (NEA) has underscored the need for rural electric cooperatives to develop mini-hydro and dendro-thermal plants to make them less susceptible to increased fuel prices.

Based on 1981 statistics, more than 95 per cent of the electricity needs of the Philippines come from imported oil.

Writing for the "Region," a Bacolod-based publication of the Western and Central Visayas Electric Cooperation association, Annabelle Adriano, supervisor of the program control and information center of NEA's dendro-thermal project, said the rural electrification program through the electric cooperatives has suffered from spiralling import oil prices.

"Electric cooperatives should construct

and maintain their own non-conventional mini-hydro and dendro-thermal power plants to ward off the oil crisis," Adriano wrote.

Confirmed both by the NEA and the national power corporation (NPC), mini-hydro power can be one of the cheapest source of electricity, Adriano said.

Under the seven-year mini-hydro rural power program from 1981 to 1987, NEA has identified eight project sites in Panay, Negros, Cebu, Bohol, Leyte, Samar and Mindanao with a combined capacity of 300 megawatts.

In Western Visayas, Negros Occidental is leading in this program with expected 29,710-kilowatt capacity.

The project sites in Negros Occidental are located in Bago, Isabela, Sagay, Victorias, Binalbagan, Batsila, Talisay, Maricao and Ilog.

MINING FIRMS SEEK AID EXTENSION

Manila BULLETIN TODAY in English 21 Dec 82 p 19

[Text]

The country's mining firms, still suffering from the depressed prices of metals, will petition the government for a six-month extension of the financial assistance being extended to them by the National Development Company (NDC).

Industry sources confirmed yesterday the Chamber of Mines has already written the President and the NDC asking the NDC to extend for another six months its relief program for copper producers.

They said copper producers, which already incurred substantial losses during the year owing to the low prices of copper, may be forced to shut down their operations unless NDC assistance is extended.

The NDC assistance to which all copper pro-

ducers availed is due to lapse by Dec. 31, 1982.

Under the scheme, NDC undertook to purchase all copper production of local mining companies at \$0.75 per pound, effectively subsidizing the price difference from the prevailing market price.

Thus, all copper concentrate output of mining companies were purchased by NDC at \$0.75 per pound from July 1, 1982 up to Dec. 31, 1982.

From July 1 up to this time, the price of copper never reached \$0.70 per lb. The highest it reached was \$0.695 per lb. If the NDC did not hedge on the quantity of copper concentrates that it acquired under the scheme since July 1, it stands to incur a loss of not less than \$0.06 per lb. of copper.

Among the copper producers which reported net losses during the first nine months were Atlas Consolidated (P307 million), Micrcopper Mining (P71 million), Marinduque Mining (P1.3 billion although most of it came from nickel operations), and Lepanto Mining (P20 million for the six-month period).

Philex and Benguet Corporation were still profitable due to the high gold contents of their copper operations and gold prices held on to relatively higher level.

World copper prices showed no improvement during the third quarter of this year, averaging 65.29 US cents per lb. compared to 78.31 US cents per lb. for the corresponding quarter last year.

CSO: 4200/255

LEYTE SITE CHOSEN FOR COPPER PLANT

Manila BULLETIN TODAY in English 21 Dec 82 p 20

[Text]

The ministry of trade and industry has decided to locate the \$300 million copper fabrication project in Isabel, Leyte, deputy minister Edgardo L. Tordesillas announced.

The site was chosen in view of the proximity of the copper smelter project which will supply the feedstocks to the fabrication project as well as the abundance of geothermal power in the province.

Two other sites were earlier considered for the project, which is the country's contribution to the industrial projects of the Association of Southeast Asian Nations (ASEAN). The two sites are in Batangas where there are excellent harbor facilities and in the industrial estate of Tagoloan, Vil-

lanueva, Misamis Oriental.

Seltrust Engineering of the United Kingdom made the feasibility and the basic engineering studies for the industrial project.

Under the agreement reached among Asean economic ministers, an industrial project of the region would have an equity of 60 per cent from the host country, with the remaining forty per cent to be divided equally among the four Asean members.

Local copper mining firms are also expected to be invited to the undertaking which would be pursued by the state-owned National Development Company.

The vast geothermal reserves in Leyte,

sources said, ultimately paved the way for the final location of the project.

It has been feared that the geothermal supply in Tongonan and Biliran will result in an excess unless Leyte is connected to the Luzon grid.

Lately, the National Power Corporation has favored the interconnection project against the proposed preferential power rates in the province.

NPC said that without the project, the power service reliability of Leyte cannot be predicted owing to a single source of power supply. Vital industries like the copper smelter and phosphatic fertilizer plants are being built in the province.

CSO: 4200/255

AUTONOMOUS GOVERNMENT FOR SOUTH PROPOSED

Manila BULLETIN TODAY in English 22 Dec 82 p 11

[Text]

The creation of the Southern Philippines comprising the island of Mindanao and the Sulu archipelago into a single autonomous region has been proposed to boost its economic development.

The proposal by Assemblyman Reuben Canoy, a Mindanao opposition leader, calls for the establishment of one legislative body and a regional executive committee to be headed by a deputy prime minister.

Canoy charged that unrealistic economic policies and official inaction have retarded the development of Southern Philippines.

As a result, he said, scarce government resources have been squandered on non-priority infrastructure projects, instead of supporting the requirements of large and

small-scale agriculture which could meet the country's need for more food and foreign exchange.

In the maintenance of peace and order, Canoy said that placing all military units operating in the south under a single command would ensure greater flexibility of the armed forces in dealing with insurgency and rebellion.

"With self-government, civilian and military officials would be able to work more closely and effectively with the people, and the people in turn would have a real participation in planning and carrying out the development of the region which is important in restoring public faith in government and democracy," Canoy said.

CSO: 4200/255

JUDICIAL RETIREMENTS, REASSIGNMENTS

Manila BULLETIN TODAY in English 20 Dec 82 p 1

[Article by Isidro M. Roman]

[Text] **SAN FERNANDO, La Union, Dec. 19** — Supreme Court Justice Juvenal K. Guerrero said here the other day that some 65 incumbent judges in various courts will be retired or reassigned in the forthcoming judicial revamp.

Guerrero said many of the 65 judges are facing charges ranging from ignorance of the law to oppression, misconduct, and other misdeeds.

Speaking at the induction of the Fraternity of District Judges in Northern Luzon at the Cresta Ola Beach resort, Guerrero said judges facing charges will be given a chance to clear their names before the Supreme Court through the integrity board. The board will

conduct its own investigation and the judges will be informed of the charges so they can defend themselves.

He said some charges filed against the judges are pure harassment and it is proper that the accused judges be given the chance to present their side of the charges.

Guerrero said that some cases against the judges involve their morality, efficiency, and integrity.

He assured members of the bench that harassment charges will be dropped and the Supreme Court's integrity board will not accept "raw evidence" usually presented by some government's investigating bodies.

Enacted in 1981,

Batas Pambansa 129, the Judicial Reorganization Law, provides for the abolition of all courts below the Supreme Court, except the Sandiganbayan and the Court of Tax Appeals.

Abolished were the court of appeals, the courts of first instance, circuit criminal courts, courts of agrarian relations, juvenile and domestic relations court, city courts, municipal courts, and municipal circuit courts.

Created to take the place of the abolished courts were the intermediate appellate court, regional trial courts, metropolitan courts, municipal trial courts, and municipal circuit trial courts.

PALAY RICE PRODUCTION INCREASE IN '83

Manila BULLETIN TODAY in English 22 Dec 82 p 23

[Text]

The country is expected to produce 165.7 million sacks of palay this year or 2.2 per cent higher than the 162.2 million sacks harvested last year.

With the main crop season harvest almost completed, the yield per hectare is expected to overshoot last year's 47.2 sacks by 2.6 sacks, an increase of 5.5 per cent.

Jesus Alix, director of the bureau of agricultural economics, attributed the higher yield to favorable growing conditions, sufficient input application and less incidence of pest and diseases in most palay-producing areas.

Alix Azida however, a further reduction in

harvest area of more than 100,000 hectares is foreseen, bringing down the country's total hectareage devoted to palay production per hectare from 3.43 million hectares in 1981 to 3.32 million hectares this year.

Palay hectareage in the country has registered a continuing drift downward over the years which may be attributed to adverse weather conditions such as typhoons experienced in number of palay producing areas as well as the shifting of some lands to the cultivation of other crops such as sugarcane, rootcrops, coffee and other cash crops.

CSO: 4200/255

MUTUAL SUSPICIONS NOTED IN THAI-MALAY RELATIONS

Bangkok SIAM RAT SAPPADA WICHAN in Thai 5 Dec 82 pp 18-23

[Article: "The Thai-Malay Conflict, a Volcano Waiting to Explode"]

[Text] Even though the conflict between Thailand and Malaysia has not made the headlines and has not received much attention, unlike the conflicts along the eastern and western borders, in the long term, this conflict may turn into a "crisis" that will be difficult to resolve. And it may become just as serious as those other conflicts.

Actually, this dispute between Thailand and its southern neighbor has been going on for a long time. But it has remained "buried" and has "surfaced" only now and then and for short periods only. However, as the days go by, instead of getting better, this problem is getting worse. This will result in Thailand becoming "encircled by conflicts."

This special report is based on a scholarly article entitled "The Problem of Security Along the Thai-Malaysian Border." It was presented by Dr Surin Phitsuwan, a professor of political science at Thammasat University, at a seminar on "The Security Problem Along Thailand's Borders," which was held at the conference hall of the Information Center, Chulalongkorn university, on 15 November.

The writer of this article clearly stated that it "could not be used as a reference" and that it was being presented in order to point out the importance of this problem and to generate debate.

In order to facilitate publication, the text has been abridged and the references have been omitted.

Background

Dr Surin Phitsuwan provided some background concerning the conflict between Thailand and Malaysia in the introduction to the article. He said that, of the Asean countries, it can be said that Thailand is the only country that Malaysia has not had an open conflict with. The Philippines just recently announced that it was giving up its claim of sovereignty over

Malaysia's Sabah Island. Indonesia and Malaysia were once great enemies during the period that Indonesia had a policy of "confrontation." And Singapore had serious conflicts with Malaysia in 1964 before the separation to form two countries.

Thus, Malaysia has a history of conflict with all the members of Asean except Thailand. Although there were some problems before independence was announced, these were more disputes between the English colonial officials and Thailand. But after the ratification of the treaty of 1909, the various disputes were settled and there were almost no problems. Thailand acknowledged English sovereignty over Kelantan, Trengganu, Kedah and Perlis. And England did not interfere in matters in southern Thailand.

Dr Surin observed that the conflicts along the Thai-Malaysian border both before and after the treaty of 1909 have been less violent than those between Thailand and its neighbors to the east and northeast, that is, Kampuchea and Laos. Furthermore, he said that the religious, cultural and historical closeness of Thailand, Laos and Kampuchea should have provided a basis for good relations rather than conflict. But Malaysia, which has a different religion, history and culture, has been more friendly than Kampuchea or Laos.

Dr Surin said that one explanation for this is the good personal relations that Malaysia's first leader had with Thailand and the good feelings of most Thai people toward this Malaysian leader, Tengku Abdul Rahman, Malaysia's first prime minister. His mother, a Thai, was given permission by King Rama V to marry the Sultan of Kedah in order to promote friendship. When he was older, he accompanied his older brother to Bangkok where he attended primary school. Later on, he continued his education in England. The generosity of the Thai king, his being "half Thai" and his pride in being "half Thai" are all important factors that helped promote good relations between Thailand and Malaysia after Malaysia became independent. Amidst the many problems, the relations forged by the Tengku were continued by his successors, Tun Abdul Razak and Dato Hussein Onn.

"Another reason is the feeling about the loss of the four states in the south to England in 1909 (and which went to Malaysia when Malaysia became independent in 1957). The feelings [of Thais] were not as strong as they were in the case of the loss of land along the Mekong River to France, land which later went to Kampuchea. This may be because the Thais feel closer toward Battambang, Siem Riep and Sisophon than they do toward Kelantan, Perlis, Kedah and Trengganu, where the race, language, religion and culture of the people are much different. The feeling of "owning" the area in the northeast is much stronger than that of "owning" this area in the south. And this has affected relations between the countries to the present. Minor problems between Thailand and Laos or Kampuchea are turned into major problems. On the other hand, problems that should lead to serious conflicts between Thailand and Malaysia are always solved by compromising.

"But the domestic and external change of events for both Malaysia and Thailand has put strong pressure on relations that have been friendly ever since [Malaysian] independence. Malaysia's new generation of leaders do not have any personal ties to Thailand. The border problems are becoming more difficult and serious. Views on the "common danger" facing Southeast Asia are beginning to differ. These things are fundamental problems that directly affect security along the Thai-Malaysian border."

This professor of political science at Thammasat University who is interested in studying the country's southern problems said that there are three factors that have led to the conflicts, conflicts that have generated insecurity along the Thai-Malaysian border and that will affect security and relations between these members of Asean:

1. The Communist Party of Malaya.
2. The different viewpoints of Thailand and Malaysia concerning international threats.
3. The separatist movement in southern Thailand.

The Communist Party of Malaya

Dr Surin Phitsuwan said that both Thailand and Malaysia hold nationalist ideals that are opposed to communism but that they have had different national experiences in opposing this political ideology. Malaysia had a serious communist problem even before it gained independence, and it has constantly had to fight the Communist Party of Malaya [CPM]. During the period that negotiations on granting amnesty were underway, Tenku Abdul Rahman told Chin Peng, the former secretary-general of the CPM, that "Malaysia and communism definitely cannot coexist together."

This took place in 1955 at a time when the Thai government had just begun to worry about the communist threat in the northeast. But no serious effort to destroy this ideology was made. Even after Field Marshal Sarit Thanarat carried out a coup in 1957, this struggle [against the communists] was limited to the northeast. No action was taken in the south. Also, there was an "acknowledged agreement" between Thai officials and CPM leaders that stipulated that the two sides could coexist and not be enemies. Concerning this, one Western scholar, H. Miller, said that:

Thai officials "never considered the CPM to be a threat. They were willing to leave Chin Penh and his group alone as long as the Malaysian communist guerrillas [MCG] did not aspire to gain power over or seize control of any land in southern Thailand. One report has said that 'Bangkok' and the MCG have reached an agreement to the effect that the CPM will oppose Malaysia only, that it will not threaten Thai officials and that it will not support the separatist movement among the Muslims in southern Thailand."

Dr Surin said that it is difficult to prove whether this "acknowledged agreement" was a national-level policy of Thailand. But among Thai officials along the border, this was one strategem used to halt the growth of the separatist movement. Also, the resulting united front enabled them to profit personally.

From the standpoint of being a strategem, allowing the MCG to maintain bases along the border created a bargaining chip in order to get the Malaysian government and some elements of the Malaysian population to stop giving open and strong support to the separatist movement.

Economically, Thai officials stationed near the border had interests in business ventures whose scope extended across the border. Rubber, timber and mining operations, cross-border transportation activities and even illegal business activities were means of making profits. Most of the problems in Sungai Padi District arose because of disputes over interests in timber activities, which were controlled by the MCG but which Thai officials were responsible for.

Because of the mutual interests of the Thai officials and the MCG, the attempts by Thailand and Malaysia to eliminate the MCG have not been as successful as they should have been. Thus, Dato Seri Mahathir, Malaysia's present prime minister, has said that the "MCG continues to be the factor that is harming the [once] good relations between Thailand and Malaysia."

The writer said that, while Thai officials have not given full cooperation in eliminating the MCG, they hope that Malaysia will help destroy the separatist movement among the Muslims in southern Thailand. Malaysia has its own reasons for not cooperating in [destroying] the separatist movement. Actually, Malaysia believes that this is a religious conflict. This is because the matter of the Muslim minority group in southern Thailand involves religious problems. Some groups in northern Malaysia have rather strong feelings about this. And the conservatism of the local leaders on both sides of the border may lead to political problems and affect the stability of the central government in Malaysia. In addition, there is the pressure from and influence of other Muslim countries. This has made it necessary for Malaysia to exercise extreme caution in getting involved in this matter.

In summary, concerning each side's hope for cooperation [in solving] its problem, Malaysia wants Thailand to help eliminate the MCG while Thailand wants Malaysia to help halt the separatist movement. But neither side has gotten what it wants. This is the reason for the constant suspicion and doubt about each other's sincerity.

Joint Border Operations

The attempts to solve the Thai-Malaysian border problems have frequently failed because of the Malaysian communist bandit problem. Since Malaysia

is suspicious of Thailand's sincerity, it wants to be allowed to carry on suppression operations against the MCG itself inside Thai territory.

When cross-border operations are conducted, an international political problem arises, that is, the problem of national sovereignty and integrity. And these operations are not limited just to hot-pursuit operations. Frequently, they station forces here for long periods, which opens up the possibility of conflicts arising between the Malaysian military forces and Thai officials, the MCG and even the united front of the MCG, who may hold Thai citizenship. Also, the Thai people who are Buddhists do not like it and feel unsafe when these foreign forces come and establish bases here. This has resulted in people demanding that Malaysia's forces be withdrawn.

Concerning the agreement between Thailand and Malaysia on joint operations, or cross-border operations, it is often said that Thailand "got the worst" of this agreement and that it must be revised. Frequently, the leaders in opposing this are part of the MCG united front whose interests have been adversely affected by Malaysia's cross-border operations. They have aroused the nationalist feelings of the Thai people and used this to oppose the cross-border operations and the border agreement.

Dr Surin observed that, after communism spread throughout Indochina in 1975, one method used by powerholders in Thailand to oppose [the communists] and increase national security was to arouse nationalist sentiments. But once this was done, such feelings could not be limited just to the communist threat. These sentiments also had effects concerning other "foreign forces." The U.S. and Malaysian military forces became the target of opposition too. This use of the political atmosphere greatly benefited the MCG. Thus, the Malaysian government has constantly had to exercise great caution about this matter.

While the Thai government has tried to stress the problem of Thailand's national sovereignty and integrity, the Malaysian government has felt that the MCG problem is a very dangerous problem that is destroying Malaysia's security. Thus, Sri Ghazali Shafie, Malaysia's minister of home affairs in 1976 and the present minister of foreign affairs, said that:

"Betong District in Yala Province will [probably] fall under the control of the communists. And if that happens, our border in that area will be greatly threatened since the enemy will have secure bases. They will be able to train and make preparations and return to these bases after conducting operations. In order to protect our nation's interests and to survive, we must consider that area of Thailand to be an enemy area. All sides concerned must admit this and accept the consequences of this."

This statement shows his distrust and lack of confidence in Thailand's abilities and sincerity. And this is a view that is held by many high-ranking leaders in Malaysia. Tenku Abdul Rahman, the former prime minister, once told a Thai newspaper during an interview that:

"The communists are now in control of all of Betong District. There are no Thais in that district; there are only Malaysian communist guerrillas and some Malays there. The demonstrations [against the Malaysian military forces] do not concern the loss of Thai property."

This atmosphere of mutual distrust and doubt about each other's sincerity is a very important factor behind the difficulties that Thailand and Malaysia are having in solving the border security problem. Even today, it has still not been possible to clear the atmosphere. This can be seen from the statement made by Lieutenant General Han Linanon. He said that "Malaysia should show its sincerity to us more clearly than this since we have worked hard to suppress the forces of the CPM. They have not given us any help at all in solving the separatist problem. From now on, we will do everything by ourselves according to our abilities."

As for Malaysia, besides being disappointed with Thailand's efforts to destroy the forces of the CPM "so that it no longer has the capability to carry on a revolution," they have also taken a mocking attitude, saying that many Thais of Malay extraction are members of the CPM. This implies that the Thai government has failed to relieve the suffering of the Malays in Thailand and that this has forced these people to have to rely on the CPM. This claim would not be important if it had not been voiced by [Malaysia's] deputy prime minister, Dato Musa Hitam.

This CPM problem will probably continue to be a source of conflict between Thailand and Malaysia, and it may lead to turmoil, instability and insecurity all along the southern border for a long time to come.

Differences In Stipulating the Sources of the Threats to Security In This Region

Concerning this matter, Dr Surin said that the changes that have taken place on the international political stage in Southeast Asia have had a great impact on Thai-Malaysian relations and mutual security. Before the Indochina countries fell under the sway of communism in 1975, Thailand and Malaysia held similar views about the threat from this ideology. But when Thailand had to confront Vietnam in Laos and Kampuchea, it had to adjust its tactics and move closer to China to help ensure that Vietnam and the Soviet Union would not interfere in Thai affairs too much. This closeness between Thailand and China has caused great alarm in Malaysia because Malaysia still fears that China wants to gain power over the countries in Southeast Asia. Moreover, Malaysia has had bitter experiences concerning racial problems. And Malaysian society is still not secure even today. The proportion of Malays, Chinese and Indians [in the population] is a matter that may give rise to turmoil at any time. The leaders of Malaysia believe that, if it has a chance, China will try to use its influence and support the Chinese in Malaysia in order to use them as a tool to ultimately gain state power under a communist system.

At the same time, Thailand wants to use China as a bargaining chip in order to solve the Kampuchean problem with Vietnam. China wants to use Thailand as a tool to force Vietnam into experiencing problems in occupying Kampuchea and Laos. For the sake of Asean solidarity, Malaysia and the other members of Asean have gone along with Thailand's "China card" policy. But underneath, Malaysia (and Indonesia) is trying to solve the Kampuchean problem as quickly as possible in order to reduce the influence and role of China.

But Thailand has received good support from China. China has reduced its support to the CPT. The disorganization within the CPT and the military victory scored by the Thai government in its war against the CPT have given the Thai government greater assurance about China's sincerity. Economic and cultural relations [between the two countries] are smooth.

The writer said that Malaysia has very different views and that it has had very different experiences. China still has very close relations with the CPM. The closure of the Revolutionary Voice of Malaysia radio station has made the leaders of Malaysia even more wary because, on 1 July 1981, just 1 day after this radio station was closed, the Voice of Democratic Malaya radio started broadcasting from a mobile station thought to be located in Bannang Sata District in Yala Province. Dato Seri Mahathir stated that "it will be a long time before broadcasts from China stop. Listeners were told that there would be broadcasts from other locations under other names and on different frequencies. We do not feel that relations between Malaysia and China have improved at all."

The benefits that Thailand has received from its relations with China and the sluggish Chinese attitude that Thailand has shown toward the CPM problem has convinced "intelligence analysts in Kuala Lumpur that China has asked Thailand to stop carrying out joint military operations with Malaysian forces against the forces of the CPM. In exchange, China is helping prevent an invasion by Vietnam."

For this reason, Malaysia (and Indonesia) is making a great effort to carry on its own policy of making contact with Vietnam and the Soviet Union in order to reduce tensions in this region. Its hope is that Thailand will pull back from its policy of following China so much. And it is trying to limit China's influence over Thailand and the CPM. During his visit to Thailand in August 1981, Dato Seri Mahathir said in an interview with newspaper reporters that "we feel that Thailand's ability to gain by making contact with China is equal to ours in making contact with Hanoi. In attempting to solve the problems in Kampuchea, it is good to do this because, in attempting to solve the problems in this region, we must contact all sides that have influence."

Dr Surin summarized this problem by saying that it is directly affecting security along the Thai-Malaysian border. This is because it is creating

greater distrust and apprehension. The chance of cooperating is becoming more and more remote. The problems are piling up, and they are causing great concern for the leaders of both countries.

The Problem of Nationalism Among the Malay Muslims, or the Separatist Movement In Southern Thailand

The writer stated that while the problem of the CPM is Malaysia's most important security problem, the chronic problems concerning the separatist movement of certain Muslim groups in the southern border provinces is presently the greatest weakness in security along the Thai-Malaysian border. The government and the people responsible are giving great attention to this problem. "We are facing problems that have long been ignored. Thus, we must make a very great effort and use all our abilities. Also, things must be carried on continuously in cooperation with many sectors," said Lieutenant General Han Linanon.

Besides the fact that things have been ignored for so long, there are also historical and anthropological reasons that make the separatist problem difficult to solve. The Malay Muslims consider themselves to be a part of the Malayan cultural world, and they have social forces that lean toward the power center of the Malayan world. But because these Malay Muslims have lived under the control of Thailand for so long, the Thai government and Thai leaders feel that these forces are trying to split away from the power center of Thai control. This difference of opinion has constantly generated conflict between those who support the Malay faction and those who want to stop Thailand.

The national development policies of both governments have played a part in increasing the seriousness of the separatist problem. The Malaysian government's policy of supporting and improving the condition of the Malays has made the Malay Muslims clearly aware of the difference between themselves under the administration of the Thai government and their relatives under the control of the national government of Malaysia. As for development, the Thai government's efforts to create solidarity and assimilate the Malay Muslims economically, socially and politically have been opposed rather strongly since they are afraid of losing their linguistic, religious and cultural individuality.

In the past decade, leaders at the state level in northern Malaysia have openly supported the separatist movement in southern Thailand. They have said that the struggle of the Malay Muslims in Thailand is a holy war and that it should be supported by Muslims throughout the world. In 1974, the chief minister of the state of Kelantan, Dato Muhammad Hisri, said that the "united front's appeals for self-control contain sufficient reasons for holding fair discussions."

Dr Surin said that Thai government officials firmly believe that the various separatist movements are receiving direct support from abroad, especially from Malaysia. While Malaysia doubts Thailand's sincerity

about solving the CPM problem, Thailand doubts Malaysia's sincerity about solving the separatist problem. Thus, each side is carrying a "card" in its hand in order to have a bargaining chip for bargaining with the opposing side. Minor matters have been turned into major affairs and simple problems have constantly been turned into complex ones in relations along the Thai-Malaysian border.

A clear example is that, last year, Malay Muslims from Waeng District in Narathiwat Province and from Betong District in Yala Province fled to Malaysia in order to escape from a situation in which their lives and property were in danger because of the violent clashes between the separatist forces and the forces of the CPM, with Thai officials having to serve as arbiters. Then in March-April 1981, 1,178 Malay Muslims fled and established camps in Kedah and Kelantan.

Dato Seri Mahathir, the prime minister of Malaysia, became deeply involved in this matter and announced that he would not force these Malay refugees to return to Thailand "until it is determined why they fled." There was a plan to have the U.N. High Commissioner for Refugees come and take responsibility for looking after these people and solving this problem. Malaysia would just provide them a place to stay in a "humanitarian land" (one place).

The Thai side did not agree with the idea of establishing a refugee camp and having the UNHCR get involved because it felt that this was a matter of national honor. Malaysia had taken in people before who had crossed the border. Sometimes, this was just a normal relocation of the labor force in providing help. [Malaysia] had never made such a big issue of this that foreign countries took an interest. And so why did it take such action this time? This was an attempt by the Malaysian government to signal the Thai government that it too held an important "card" that it could use as a bargaining chip and that it would not hesitate to use it to destroy Thailand's image by showing, in effect, that Thailand was unable to protect the lives and property of its citizens.

Dr Surin quoted an article by Phaisan Sricharatchanya in the 9 October issue of the FAR EASTERN ECONOMIC REVIEW. This article reflected the viewpoint of Thai officials on this matter: "Officials in Betong District who witnessed these events in April (1981) have said that they saw Malaysian military vehicles helping move the Malay refugees once they crossed the border. Some Thai border patrol police have claimed that, ever since the end of 1980, separatist forces have been wearing uniforms like those of Malaysian soldiers and using the same equipment as that used by Malaysian troops."

This prolonged dispute came to an end when most of the Malay refugees returned to their homes after the situation relaxed. But some of them chose to remain in the refugee camps. Last September, the Malaysian government decided to grant citizenship to the few who had remained out of concern for Asean friendship and fraternity.

Dr Durin said that this incident shows the difficulty of solving the Thai-Malaysian border problems in an atmosphere of mutual distrust. Instead of the two sides cooperating to solve the problems, they constantly look for ways to "get back at each other." This will only lead to a wider rift in the future.

The separatist movement of the Malay Muslims in southern Thailand is still a small movement. There is no efficient organizational structure, and there are no definite ideals. Also, the movement does not have the support of the majority of the people. But there is more and more evidence that the separatists are receiving support from abroad. In 1978, the National Security Council made plans to "wage an information battle" in the countries in the Middle East. Recently, officials from the Fourth Army Area submitted a proposal to send a representative to try to change the views of officials in certain countries, such as Syria and Libya, who are "thought" to be sympathetic to the separatist movement. And the evidence that members of the separatist movement have received training from the PLO points to the great complexity of this problem and shows that it is becoming harder and harder to solve this problem.

Summary

This professor of political science at Thammasat University said that success will be achieved in this only when Malaysia gives its full cooperation. In solving the border problems by joining forces, the past trend has been toward more unilateral operations. There has been cooperation only at the policy level; at the operational level, [the two sides] frequently mistrust each other and try to take advantage of each other. The Fourth Army Area has stipulated a policy of solving the CPM problem by itself "since the problem has arisen in Thailand." This is a correct policy because [allowing Malaysian forces to come in] openly violates Thailand's sovereignty. But the hope of using the results achieved in suppressing [the CPM] as a bargaining tool to get the Malaysian government to help solve the separatist problem involving Malay Muslims is a rather faint hope. This is because Malaysia is severely restricted in its ability to get involved in this matter because of the religious and social position of Malaysia's northern states, where the religious and social aspects are closely related.

Dr Surin said that the members of the separatist movement have had ties with various foreign supporters for a long time. As a fellow member of Asean, Malaysia, together with Indonesia, has helped to prevent the representatives of this movement from playing too great a role at the important conferences of the leaders of the Muslim countries. But it is far too much to expect that the Malaysian government will openly take serious action to oppose this movement in Malaysia. If Thailand wants to send a representative to discuss things directly with leaders in the Middle East, the leaders of Malaysia have expressed a willingness to act as an intermediary. But the matter of which leaders, of whether any results

will be achieved and of whether it is proper to do this directly at this time is another matter.

The difference of opinion about the source of the threat to security in this region is a problem that has led to conflicts and affected cooperation along the Thai-Malaysian border. As long as China continues to play a leading role in solving the Kampuchean problem and as long as Thailand's foreign policy is tied to that of China, Malaysia will not feel secure or safe and will distrust the sincerity of Thailand.

Dr Surin said that, concerning the matter of mutual security along the border, the thing that both sides must realize and accept is the limitations of each side in responding to the other side's policies. Neither Thailand nor Malaysia can survive by itself or solve the border problems alone. There must be better mutual understanding. Emphasis should be given to economic, social and cultural relations in order to form a basis for solving the three important problems discussed above.

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CSO: 4207/42

ATHIT NOTES CONCERNS OVER POSSIBLE CPT DOUBLE-CROSS

Bangkok THAI RAT in Thai 10 Jan 83 pp 1,2

[Article: "People May Beat Their Wings, But No Worry"]

[Excerpts] General Athit Kamlangek, Army Commander and high-level member of the Officers Commission, visited and inspected the preparations for combat of Infantry Division 4, military precinct number 4, Third Headquarters for Assistance in Combat, in Nakhonsawan province yesterday (9 December). At that time General Athit spoke to all the members of the military about the matter of military hardware. He asked everyone to help take good care of it, because these weapons were purchased with the people's tax money, and some of them money cannot buy.

On the same day, General Athit Kamlangek spoke to the Northern Nursing Association at its annual meeting at the Chakangrau Hotek, Kamphaengphet about "The Current Situation in Thailand." After the talk the floor was opened for questions. General Athit replied to the question concerning the surrender of Communists terrorists--was he afraid of betrayal?--by saying that, yes, he was afraid. If there was a betrayal he would probably die. "If I die, there will probably be those who beat their wings. But there is no need to worry. There is always a replacement." General Athit said that we must understand that the Communist terrorists have changed their line of struggle to one in which they will not declare themselves as in the past but will use democratic and socialist means. When they attain their goals, they will return to their original line.

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CSO: 4207/49

CHATCHAI FAULTED FOR HIGH OIL IMPORT PRICE

Bangkok BAN MUANG in Thai 10 Dec 82 p 5

["Tamolo Column": "Thorns in the Heart of the Oil Treaty Must be Removed"]

[Excerpts] Today the Thai government buys Saudi Arabian oil for our national use at a price of 34 dollars per barrel.

The price of oil on the OPEC market is 32 dollars per barrel.

And, it can be bought on the black market for 28 or 30 dollars per barrel.

The chairman of the Arab-Asian bank made an official announcement at the meeting on Arab-Asian banking and investment that the price of oil may go down to 25 dollars per barrel.

We in Thailand promised to purchase 65,000 barrels of oil daily on a government-to-government basis from Saudi Arabia at the price of 34 dollars per barrel.

But the market price of oil is 32 dollars, and it can probably be bought for 28-30 dollars on the free market.

Therefore we are paying 2 dollars more per barrel of oil than on the OPEC market.

And 4 dollars more than on the free market.

In Thai money, the Thai government is paying 3 million to 6 million baht more per day.

That is from over 1 billion to over 2 billion baht per year.

When the contract runs out in February, 1984, Thailand will have spent over 6 billion baht too much, according to the figures of the first-ranked television commentator Mr Phichai Watsanasong.

For each extra baht, the Thai people suffer.

The well-informed criticize the contract to buy Saudi Arabian oil as the "revenge" of certain Saudi oil magnates.

This resulted from the "Telex wars".

The Telex wars caused Saudi oil "magnates" to lose "royalties," because royalties had to be parceled out, rather than given to one person.

When the Texex wars broke out, royalties decreased too.

Then an opportunity for revenge came for the magnates, who called Mr. Chatchai for an urgent contract and set it for exactly three years.

This was something unusual.

Mr Chatchai rushed over and signed the contract gladly.

Not three months after the contract was signed, the price of oil fell suddenly and without restraint.

Luckily, Mr Chatchai was not very greedy and didn't sign a contract for 100,000 barrels per day, following the old quota, and only signed for 65,000 barrels per day. Therefore only 3-6 million baht per day is lost, rather than 9 million baht.

I believe that it is time for Mr Chatchai to do something about making the treaty fair, at the least to have Saudi Arabia lower the price to that of the world market.

It is necessary to point out the responsibility of Mr Chatchai, because this has become a serious matter.

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CSO: 4207/49

COLUMNIST IRKED OVER MALAYSIAN NONCOOPERATION IN SUPPRESSION OF SEPARATISTS

Bangkok BAN MUANG in Thai 9 Dec 82 p 5

["Tamolo Column": "Thailand and Malaysia Should Solve Their Problems through Mutual Sincerity"]

[Text] Wednesday, 8 December, 15:00. Malaysian Prime Minister Dr. Mahathir Mohammed visited Thailand as a guest of the government.

He returned home the following day, the 9th, at 17:30.

He spent only 26 hours in Thailand.

It is not known why he hurried back and forth.

An important conference is scheduled with full-group discussions on matters of government between high-level officials and the prime ministers of both Thailand and Malaysia.

What is to be discussed has not yet been revealed.

But it can be guessed that what will be discussed this time will not be ASEAN, but the Thai-Malaysian border.

There are several problems that must be discussed and understood.

The most important is the matter of the CPM and the Separatists.

The CPM are the Malay or Malaysian Chonchin Communists. Their actions have been hostile to the Malaysian government from Malaysia's independence to the present.

The Separatists are a movement of terrorist bandits, a separatist movement whose actions are hostile to the Thai government, who receive support from certain Moslem countries and organizations.

Both the CPM and the Separatists use the Thai-Malaysian border area as a base to extend their influence.

The CPM, which is hostile to the Malaysian government, snuck across and set up its base on Thai territory; and, in the same way, the Separatists, who are hostile to the Thai government, snuck across and set up a base on Malaysian territory.

The CPM go in and carry out attacks in Malaysia. When pursued by Malaysia, they flee into Thai territory. In the same way, the Separatists come in and carry out attacks in Thailand. When pursued by Thailand they flee into Malaysian territory.

Finally, Thailand and Malaysia agreed to help one another with suppression.

In the agreement each side would be willing to allow the other side to cross its border for suppression in such cases.

But only Malaysia actively came in and suppressed the CPM in Thailand. Thailand was unable to cross the border to suppress the Separatists because of obstruction from Malaysian officials.

This infuriated the Thais along the southern border.

Then, the estrangement between Thailand and Malaysia became more complicated as Malaysia accused Thailand of supporting the CPM and Thailand accused Malaysia of supporting the Separatists.

After several years of this, last year Thailand came up with a new policy.

Neither the separatists nor the CPM in Thai territory would be supported; both the Separatists and the CPM in Thai territory would be dispersed.

Malaysia benefitted from these new actions of Thailand because Thailand helped suppress Malaysia's enemy for her.

When Thailand displayed these activities, some called upon Malaysia to do the same.

Because the Separatists went in and set up their base in Malaysia.

Malaysia remains silent!

There are reports that members of the Separatist movement have such good relations with Malaysian officials that some Malaysian military bases near the border supply guns to members.

Thailand and Malaysia have not come to an understanding in this matter.

Malaysia's policy does not want to touch the Separatists because the Separatists use religion to ask for aid and cooperation from Moslem countries.

Malaysia is afraid of offending Moslem nations that support the Separatists.

Malaysia is not willing to look at the fact that the problem of the Separatists is not a religious problem, but a problem of Thailand's security, which is connected with Malaysia's security as well.

It is not fair for Malaysia to neglect the agreement and let Thailand be the only side to act.

Low-level Thai officials who offered their lives in the suppression of the CPM feel that Malaysia has deceived us.

Malaysia's CPM problem and Thailand's Separatist problem are problems of security and the peace and happiness of both nations.

The Malaysian and Thai governments will have to put their heads together and come to an understanding.

Malaysian Prime Minister Mahathir's visit to Thailand of only 26 hours probably did not enable the two sides to achieve an understanding.

The leaders of the two nations will have to meet many more times if they are sincere in this.

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CSO: 4207/49

THAILAND

USE OF PARAMILITARIES AGAINST STUDENTS SCORED, 1976 MASSACRE CITED

Bangkok MATUPHUM in Thai 14 Dec 82 p 4

[Column: "Headstrong Reporter"]

[Text] Students of Khongkaen University traveled to Bangkok and camped out in front of the government residences to demand that which they call democracy.

But it appears that those who were supposed to give them democracy are gone, spread around to preside as administrative ministers. Administrative ministers are those on the university council. The university council says it does not have the power to do anything.

The matter remained like this, and seemed to end there, when --

Mr Chamanan Phachana, provincial governor of Khongkaen called a meeting of government officials at several levels in the province, such as the superintendents, the district chiefs, and various officials, to lay plans to investigate and mobilize to resist the student movement.

500 Thai Volunteer and Village Scouts gathered in front of the municipal government of Khongkaen with the goal of supporting the law and not supporting majority rule.

In addition, the deputy provincial governor, Mr Thanom Chanuwong, brought police officials to search student dormitories and clubhouses.

That is like getting the masses to fight the masses.

It has been seen that the above-mentioned methods resulted in the incidents of 6 October 1967, where a sector of the masses crushed the students and people who gathered to resist despotism at Thammasat University.

Now the same method would be used.

The student movements at Khongkaen University concern the selection of the president of that university and do not at all concern Mr Chamanan Phachana's

administration of his duties as provincial governor. They are the concern of the students, the university, the university council, and the university administration.

Likewise, the student movement at Thammasat and Ramkhamhaeng universities was not a concern for Admiral Thiam Mokaranon, the governor of Greater Bangkok, to become involved in.

The Director for the Protection of Bangkok himself has not meddled much, believing that this is a matter that the unit responsible can solve itself. The smart thing for him to do is to be reasonably accommodating, to come out and discuss the situation. If they can find a solution, then it is solved. But it doesn't really look like he will use military force yet or crush the students who are out in front of the government residences.

Mr Chamanan Phachana, provincial governor of Khongkaen, would love to get on a white horse and go to the Ministry of the Interior and display his brilliance in solving the problem of the student movement.

Are the Thai Volunteers and Village Scouts, left to make a living, doing so badly? This is the harvest season. Why would they enlist? What do they know about the system of Khongkaen University, the method of selecting a university president at Khongkaen University? What do they know of majority rule and law? If they knew these things they would oppose the person or group of people who break the highest laws in ruling the nation.

We have said that democratic means should be used to solve the problem of the students at Khongkaen University, not dictatorial or despotic methods.

The use of Thai Volunteers and Village Scouts to crush the Khongkaen University students is a possibility and could be done in the manner in which a group was used against the students and citizens who gathered at Thammasat University in the early morning of 6 October 1976.

But don't we know that the events of 6 October 1976 left Thai society with scars and injuries that can't be cured? Do we need to let this happen again?

There are only General Sitti Chirarot and Mr Phisan Munsatsathon to hold back the bold efforts of Mr Chamanan Phachana. No matter how much they dislike the student movement at Khongkaen University or the new group in the movement for the people's justice, right now they should stop Mr Chamanan Phachana.

The demands of the students of Khongkaen University are a matter for Mr Kasem Suwankun, Mr Wichit Sisa-an or General Prem Tinsulanon to deal with, not for Mr Chamanan Phachana.

Before anything else, Mr Chamanan Phachana must be stopped.

Stop him before this spreads.

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CSO: 4207/49

INTERNATIONAL RELATIONS, TRADE AND AID

SWEDISH ENGINEERS, AID OFFICIALS COMMENT AS BAI BANG STARTS

Controversy, Swedish Experts Remain

Stockholm DAGENS NYHETER in Swedish 26 Nov 82 p 32

[Text] Today, 26 November, the Bai Bang project starts up, or Vinh Phu as it is officially called. Eight years ago SIDA [Swedish International Development Authority] estimated the costs at 770 million kronor. Today the costs amount to around 2 billion kronor.

When the project is characterized as a scandal the critics generally point to the cost increases and delays. In 1974 SIDA believed that the first paper-making machine would get in operation in 1977. In fact it got in operation in 1980. The second machine was to have started up in January 1979 but actually got in operation in February 1982. The pulp mill was to have produced bleached pulp in April 1979, but started in September 1982 with production of unbleached pulp.

So today Vinh Phu is being officially opened. Then the machines will produce paper from pulp made from domestic raw materials, and not as in the past from imported wood pulp.

Bai Bang is named for the place where the paper mill and the industrial portion are located, with pulp-mill, stone crusher, concrete-mixing plant, workshops, power plant, water-purification works, factory for the production of acetylene gas, etc. Everything must be on the spot, since domestic resources are inadequate. Vinh Phu is named for the province in which the whole project is located; i.e., including the forest to be cut, the timber plantations, the nurseries, and roads and rafting stations that must be built.

At full capacity 55,000 tons of paper will be produced. The project management believes that will happen in 1986. Independent investigators say it may be 1989. Whenever it happens, if it happens, it will mean a doubling of Vietnam's paper manufacturing.

As Big As Scania

What positive aspects does the Vinh Phu project have and what constitutes the scandal, if any?

This year (1982) 15,000 tons of paper is being produced, with a value on the world market of 80 million kronor. Next year it will be 18,000 tons of paper and 15,000 tons of wood pulp.

At full production it is calculated that 15,000 men and women will get work in the thinly populated forest areas. These people will move there from the overpopulated Red River delta. Productivity will rise not only through forest work but also because agricultural production in the Vinh Phu region will be doubled due to the immigration.

3,000 Trained

The industrial portion will employ about 3,000 to 4,000 persons including transport workers. Altogether this means direct support for over 100,000 Vietnamese and involves the industrialization of an area as large as Scania.

The power plant produces a surplus that is sufficient for about 15,000 persons in the communities round about. About the same number will get pure water as a result of the overcapacity at the water-purification plant.

Three thousand Vietnamese have gotten training within the framework of the project, to become qualified skilled workmen, foremen, technicians, etc. The project has thus functioned as "Southeast Asia's biggest vocational school."

Forest improvement in the project will yield knowledge with great effects on the country's future potential for exporting forest raw materials.

The afforestation program is so big that in addition to wood for the paper mill--400,000 cubic meters per annum--there will be an equal amount left over for fuel, building material, and sawmills outside of the project.

Transport Problems

The biggest question mark for the future applies to transport of the raw material to the mill. Four hundred thousand cubic meters corresponds to 25,000 trucks carrying 16 cubic meters each. That means three trucks an hour 24 hours a day throughout the year. The flow must be even and constant; otherwise production will stop. National Highway No. 2 is not usable. The shipments must therefore be made by rafting on the Song Lo river, the water level of which varies by 15 m between the rainy season and the dry season. An equally big question mark applies to the supplying of coal for the energy required for operation.

Civil engineer Adrew Ewing, forester Henning Hamilton, and economist Lars Heikensten have evaluated the socioeconomic significance of the project on SIDA's instructions.

They conclude that the whole project should give a yield of 4.6 percent in internal rate of return if full capacity is reached in 1989. At 75 percent of capacity the return will be 2.4 percent, and at 50 percent of capacity, minus 0.5 percent.

Definition: for income and expenditures to balance during the lifetime of the project an internal rate of return 0 is required.

According to the investigators the figure of 4.6 percent is quite normal for similar projects in such poor and underdeveloped countries as Vietnam. But that presupposes full production, which will require great efforts on the part of the Vietnamese during the next few years, the investigators write.

Trainees Transferred

They also assume in their calculations that at least 100 foreign experts will stay on through next year. After that there will be a gradual reduction until 1990, with 10 experts who will stay on during the remaining life of the project, i.e. 25 years. The project management assumed in its plans that all the Swedes would go home by the end of June 1983, but nobody believes that is possible now.

But a scandal?

The most common objection is that it was completely mad to take a very modern processing industry, controlled by sophisticated electronics, to one of the world's poorest and most underdeveloped peasant countries. The result can only be collapse, it was asserted.

On SIDA's part it was said that Vietnam's potential was perhaps overestimated from the beginning. In spite of everything, it was a country that had defeated a superpower in war; surely they could cope with a paper mill!

Many Vietnamese that have been trained in Bai Bang have been transferred by the authorities to higher-priority projects. There and in the army the best technicians and administrators are presumably to be found. Vinh Phu must still manage.

Political Decision

"This matter of the technological level is not the big problem. The Vietnamese can learn to do what has to be done," says Lars Heikensten. "In the south there are several paper mills with technology of almost the same level."

He thinks, on the other hand, that we should ponder whether it would not have been possible with the same investments to bring about greater development effects for the country than we are getting with Vinh Phu:

"I am convinced that considerably greater effects could have been achieved by investing in harbors and roads or in forestry and sawmills, for example."

With that we get into the cause of most of SIDA's problems: political decisions that demand quick investment of money in aid projects that are not adequately prepared for when they are started.

Vinh Phu was decided upon at the political level and the objections of various SIDA officials that it was going too fast were ignored. The result was that the project personnel were forced to get the necessary acquaintance with the country's culture and administration when the most capital-intensive investments had already been made, instead of working the other way round. That is why the costs rose so much and that is why the delays were so great.

Quick Results

"The sensible thing would have been, after the decision in principle, i.e. to give support after the end of the war, to study the country and its conditions closely and then perhaps to begin with developing the forest management there. Later, when enough was known about the conditions, we could get started with a paper mill. We would perhaps have been ready for that today instead," says Lars Heikensten.

But the Social Democratic government wanted to see quick results and to show its willingness to give aid in a concrete fashion. The Vietnamese authorities had no reasonable possibilities of appraising the difficulties of a project of the Vinh Phu type.

The outcry that occurred then changed into a wish that SIDA could plan projects before the start and not be thrown by political decisions into investments whose consequences the agency cannot foresee.

Swedish Minister on Forced Labor Question

Stockholm DAGENS NYHETER in Swedish 29 Nov 82 p 5

[Report by DAGENS NYHETER correspondent Peter Bratt]

[Text] Hanoi, Sunday--"It is an internal question for the Vietnamese how the work force for the Bai Bang project is recruited."

So said Roine Carlsson, deputy minister of industry, at a press conference in Hanoi Sunday in answer to a question on whether he considered it was of importance or not whether forced labor is used on the project.

The question has arisen whether there are conscripted laborers in the forest part of the Bai Bang project or not. The management of the work brigade, called upon by a delegation of Swedish journalists, told the journalists that many of the workers in the forest project are "mobilized."

It has also been said that people from the overpopulated Mekong delta are "summoned" to work in the thinly populated forest areas where the raw material for the paper and pulp mill is to be gotten. The question is whether people are moving of their own free will or not.

"Internal Question"

"Do you feel that it is important how people are recruited for the forest part of the project, especially in view of your background as a labor union chairman?" a journalist asked at a press conference arranged at the Swedish embassy in Hanoi Sunday.

Roine Carlsson, deputy minister of industry, answered:

"We have no occasion to take a stand on how the Vietnamese solve the problem of recruiting workers. That is an internal Vietnamese matter."

"The main thing is that the Vietnamese have now realized the importance of supplying raw material for the project to function. That is the most important question. How they solve it is their own business.

"My impression, however, is that there is no question of workers recruited by force."

Canceled

A planned visit by helicopter to the forest area that had been on the deputy minister's program was canceled the other day. Roine Carlsson said at the press conference that he had not asked the reason.

On Sunday afternoon he had had a meeting with the Vietnamese prime minister, Pham Van Dong. When asked what was discussed, Roine Carlsson said that it was only matters that concerned the two governments, and that he did not wish to say anything more about it.

"It is obvious, of course, that a good deal of it was concerned with Bai Bang," Roine Carlsson said.

8815

CSO: 3650/55

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

GDR RED CROSS AID--In pursuance of a program of aid to the Vietnam Red Cross, the International Red Cross Commission has urged the GDR Red Cross to send 200 first aid kits to the Vietnam Red Cross and 2 ambulances with spare parts and an amount of public health equipment and therapeutic medicines to the Ho Chi Minh Municipal Emergency Center. Valued at 265,961 GDR marks, these goods arrived in Vietnam in early November 1982. [VNA] [Text] [Hanoi NHAN DAN in Vietnamese 27 Nov 82 p 4] 9332

CSO: 4209/134

ECONOMIC PLANNING, TRADE AND FINANCE

NEED FOR BASIC LEVEL PLANNING DISCUSSED

Hanoi TIEU CONG NGHIEP-THU CONG NGHIEP in Vietnamese 8 Nov 82 p 5

[Article by Tran Van: "Today's Issue: Building 1983 Plan From Basic Level up"]

[Text] The notion that planning begins at the basic level is the most important guideline in modernizing planning work. A resolution of the Fifth Party Congress states, "While proceeding from small-scale production to socialism, it is necessary to ensure that central, local and basic management echelons are real masters of their plans (i.e., they are really able to build, balance, protect and implement them), that planning begins at the basic level and with full knowledge of the principles of profit-and-loss accounting and socialist business."

In our sector, the integration of cooperatives into the planning process will enable them to arrange their own plans, actively and comprehensively, aiming at properly carrying out state positions and policies, and tasks entrusted by upper echelons; and at taking extremely practical measures to better use their potential capabilities.

The new year is coming. Difficulties and imbalances in the economy continue to be a dominant issue at planning time. Nevertheless, favorable, positive and progressive factors have appeared--emerging basic installations, organizations and laborers, who have fulfilled their 1982 tasks in an outstanding manner.

In planning for 1983, first of all, we must understand fully the need to maximize each basic installation's potential capabilities. To that end, we must thoroughly grasp the principles of economic accounting and socialist business; harmoniously serve three interests (state, collective and individual); and best utilize labor, local resources and existing production capabilities. We must conduct production and business activities in a way to compensate for production costs, and also to make a profit, so as to contribute more and more money to the state, carry out expanded reproduction, develop cooperatives, and increase welfare for collectives and material incentives for individual laborers.

Presently, while holding post party congress meetings, all localities, provinces, cities, wards and districts are rearranging their economies,

sectors and crafts. This is a great opportunity. On the basis of that rearrangement, we must stabilize production, develop existing production forces, rationally use supplies, labor, machinery, equipment and capital, and rapidly increase the production pace.

In developing production, it is necessary to tie it very closely to the task of reorganizing production at the basic level and of improving management and techniques, while launching three revolutions, with the focus on the technological one. Attention must be paid to consolidating and perfecting socialist production relationships (in the north), and socialist transformation measures (in the south); properly utilizing various labor forms--cooperative units, independent handicraft workers, agricultural handicraft, family handicraft and sidewalk small industry. All of this, however, must be tied very closely to the struggle between the socialist way of life and the private one, with the determination to oppose negative attitudes and illegal activities (fraud, collusion, production of counterfeit and bad goods, and tax dodging, etc.).

Democratization of planning does, in no way, mean neglect of concentration. Thus, in devising its own plans, each basic installation must fully understand the objectives and tasks of the state plan. Plans formulated by basic installations must ensure that state economic and social policies are carried out properly. They must continue their involvement with state plans, which they enrich, and they must contribute to stabilizing the socialist economic order.

Planning at the basic level must thrive on a scientific basis--standards, economic and technical norms, the need to keep close tabs on available and future supplies, labor force, equipment and machinery. Plans drawn up by a basic installation must be comprehensive, including expected tasks and measures, and outlines on all main and secondary aspects of production, on technique, finance, capital construction, organization of cooperative members' livelihood; and accumulation of data necessary for planning commodity production, application of technological progress and computation of production costs. To achieve this, upper echelons must solicitously help basic installations promptly sign economic contracts with organs and customers. These contracts are seen as a prerequisite for a basic installation to build its plan on a solid premise (which also includes the self-imposed discipline to carry out these economic contracts).

Presently, what causes concern is whether basic installations are skillful enough to conduct production and business. An answer lies in the eagerness of cooperative directors to seek advice and help. Due to that eagerness, they can understand properly party and state positions and policies, as well as local positions; they also can make observations and decisions on which way their installations will go in the coming year. On that basis, cooperative directors (as well as management boards, and the entire

mechanism in charge of collective ownership at the basic level) must strive to draw up plans for their own installations, and to invite the masses to take part in democratic debate.

The coming new year is counting on us to achieve new progress in production and business management.

9213

CSO: 4209/144

AGRICULTURE

VEGETABLE CULTIVATION IN HO CHI MINH CITY INTENSIFIED

Hanoi NHAN DAN in Vietnamese 25 Nov 82 p 2

[Text] Winter and spring are the main season for the cultivation of all kinds of vegetables in Ho Chi Minh City. During the current season, the city will sow and plant vegetables on 7,000 hectares and will try to obtain about 110,000 tons. This includes 2,500 hectares to be cultivated in the specialized cultivation areas which will try to achieve an output of 65,000 tons and to export 3,000 tons of cabbage.

The city's policy is to grant loans to production collectives, cooperatives and farmers to buy material supplies and grain during the preharvest period. The municipal vegetables and fruit corporation has also advanced some cash to production collectives and cooperatives engaged in vegetable cultivation in order to create more favorable conditions for them to expand the vegetable area and to grow vegetables intensively. The vegetable purchase prices have been adjusted in conformity with the present market situation. This year all vegetable purchase contracts have been entrusted solely to the municipal vegetables and fruit corporation in order to eliminate the contradiction between the purchase of vegetables for export and that of vegetables for domestic sale. The vegetables and fruit corporation has prepared all conditions to carry out the vegetables purchasing task satisfactorily and to avoid the stagnation of vegetables as was the case last year.

The city has also paid attention to the irrigation of the vegetable areas. Recently, 1,200 waterwells have been dug in the suburbs and the regions adjacent to the city, especially in Go Vap, Hoc Mon and Tan Binh.

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CSO: 4209/134

AGRICULTURE

GRAIN COLLECTION NORM OVERFULFILED BY HAU GIANG

Hanoi NHAN DAN in Vietnamese 27 Nov 82 p 1

[Text] As of 25 November, the amount of grain collected by Hau Giang Province has fulfilled 110.02 percent of the assigned plan norm. From now to the end of the year, the province will be able to collect 10,000 tons more of paddy. Soc Trang City leads the entire province by fulfilling 130.5 percent of the plan norm. For several years in a row, Ke Sach District failed to achieve the plan norm; this year, by wisely motivating members of the party organ and various committees, sectors and mass organizations and by developing the superiority of the new production relationships, this district has for the first time fulfilled the assigned plan ahead of schedule, collected 17,710 tons and exceeded the norm by 27 percent. Long Phu District is still the leading banner in production, agricultural reform and grain collection in Hau Giang Province. This year, Long Phu District has collected 36,287 tons, surpassing by 22 percent the province's highest norm of absolute volume. My Xuyen District has progressed vigorously and fulfilled 113.6 percent of the plan norm. Long My District has fulfilled 112.2 percent of the plan norm. Having overfulfilled the grain obligation for 2 years running, Vinh Chan has contributed this year 15,785 tons representing 197.3 percent of the plan norm. Situated in the fresh water region, Phung Hiep and Thot Not Districts have both fulfilled their yearly obligation satisfactorily. There is the heartening news that Chau Thanh, which had been a weak district in the province since the liberation day, has collected 19,906 tons this year and surpassed the plan norm by 7 percent. The districts of O Mon, My Tu and Thanh Tri have attained only 61 to 83 percent of the grain collection plan because they had met with many difficulties caused by natural calamities.

At present, the high-yielding 10th-month rice strain grown on 110,000 hectares in the region formerly subordinate to Soc Trang Province is ripening; this rice crop is very luxuriant and promises an average per hectare yield of more than 4 tons, which will give Hau Giang grounds for believing firmly in the success of the grain collection year of 1983. Through the assigned norm is 1.5 times higher than that for 1983, all districts are determined to exert every effort to enable the whole province to collect 386,000 tons next year.

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AGRICULTURE

EDITORIAL URGES RATIONAL USE OF FERTILIZERS ON SUITABLE SOILS

Hanoi NHAN DAN in Vietnamese 25 Nov 82 pp 1, 4

[Editorial: "Strengthening Crops and Improving Farmland"]

[Text] Crops will yield a high output and the quality of their products will be good only if they are well-cared for and sufficiently fertilized and if they can grow up on a fertile land. Even if they belong to a good strain, the cultivated plants cannot develop if they are poorly tended and fertilized and if they live on a depleted soil. The success won in the production seasons in the past 2 or 3 years has been due mainly to a new progressive step taken in the process of strengthening crops and improving farmland.

This task has not yet been considered important in many areas. The usual tendency has been to invigorate the crop without paying enough attention to the soil. The alternative has been to implement the intensive cultivation system unharmoniously and to pay attention only to some measure while neglecting the others, thus limiting the effects on the possibility of improving both the crop and soil, not to speak of a bad result which has been obtained occasionally. Some cooperatives have applied more nitrate fertilizer than necessary to riceplants with the consequence that these plants have been damaged and their yield diminished noticeably and that the fertilizer has been wasted. Uniformly applying an average quantity of fertilizer to all categories of fields is still a general practice which does not meet the specific requirements of each type of crop and soil.

This year's winter-spring season will surpass that of last year from the points of view of productivity, area and gross output. The nationwide average yield will be 29.3 quintals per hectare--an increase of 1.5 quintals--and the [total] area will increase by 87,000 hectares including an increase of 65,000 hectares in the Mekong River delta alone; all that will, together with the [recent] summer-fall and 10th-month seasons, contribute to fulfilling the 1982 grain plan. A current question which has been raised and which also worries many localities and production installations is how to carry out this year's plan while the amount of fertilizers available is limited.

First and foremost, it is necessary to have a correct idea about the effects of fertilizers on the possibility of strengthening the crop and improving the soil with the ultimate result of achieving a high yield. Though fertilizers

are an important factor in intensive cultivation, one must not mechanically and simplistically visualize a huge quantity of paddy obtained by applying a large amount of fertilizers, especially the chemical nitrate one. What is important is to know how to apply fertilizers and to correctly realize their role within the system of technical measures.

Because of their misunderstanding, some people believe that any output increase is attributable merely to fertilization. Production realities and the results of scientific analyses have demonstrated that only a correct fertilization method and a correct understanding of the role of fertilizers and their close relationships with other measures can have the effect of bringing about a high yield. By using fertilizers in small but sufficient quantities and by applying them according to the right method, one can obtain an output which is obviously higher than that achieved by using large quantities of fertilizers and applying them contrary to technical regulations. The reason certain co-operatives which have only used fertilizers in small quantities have achieved a per hectare yield 1 to 2 tons of paddy higher than that obtained by the neighboring cooperatives which possess fields with a fertile soil is the fact that they have applied fertilizers according to a correct method.

Each category of land is constituted by different elements such as acid, saline, swampy, sandy or pebbly soil so that their requirements for fertilizers also differ. On each of these types of land, a suitable variety of riceplants must be grown which has a different need for fertilizers. There are some plant varieties which disagree with fertilizers and which, if given much nitrate fertilizer, will have slender stalks and luxuriant leaves but will put forth flat grains. Because more phosphate fertilizer has been applied than nitrate fertilizer, the newly exploited lands in the Mekong River delta have yielded a clearly high output.

Fertilization is only a technical phase of the system of integrated measures. Each phase of this system has a definitely important action and exerts a direct effect on others. If a field suffers from drought, fertilizers cannot exert any effect. If a bad strain carrying germs of harmful insects and diseases is grown and if inadequate measures are taken to control and exterminate these insects in the fields, the fertilizers' effect will be limited even though they have been used in large quantities, not to mention the fact that they may offer an environment favorable to the development of insects and diseases. In view of the above-mentioned requirements, other technical measures must necessarily be taken to develop the effect of fertilizers and to create favorable conditions for their effectiveness; moreover, the fertilization method to be applied must suit the specific conditions created by and the close interrelations existing with other technical measures. If so, it will be possible to save a large amount of fertilizers, to enable them to exert an evident effect, to promote the crops' growth, to improve the soil quality and to achieve an everincreasing yield.

During the winter-spring production season, all localities and production installations must carry out investigations to fully know the nature of the soil in each field together with the physiological necessities of each kind of crop so as to determine [suitable] fertilization method and the kind of fertilizer to be applied. At the same time, it is necessary to step up the

movement to produce fertilizers, especially the organic ones of various kinds. In the newly reclaimed lands such as those in the Mekong River delta, the effect of organic fertilizers has been more evident: For each ton of organic fertilizers applied, the yield has been increased by 40 to 50 kgs of paddy [in the Mekong River delta] and by 15 to 30 kgs of paddy in the Red River delta.

Since the currently available amount of chemical fertilizers, especially the nitrate one, is limited, it is necessary to use them economically by applying them according to technical regulations and by improving the fertilization method to the best advantage. It is advisable to widely apply the method of rolling nitrate fertilizer into balls and thrusting them into the foot of each riceplant cluster in order to save fertilizer, to reduce the amount of fertilizer lost through evaporation and also to enable riceplants to assimilate the fertilizer for a long time. Especially in the Mekong River delta, the method of applying phosphate fertilizer to rice seedlings will have an obvious effect on the growth of riceplants and on their future productivity.

The fertilizer production movement must be broadened and youths must be used as an activist force placed under technical guidance by the agricultural sector. The processing of fertilizers must be intensified since actual facts have demonstrated that a correct method of processing fertilizers has the two fold advantage of increasing their volume and improving their quality in comparison with the pure, unprocessed ones.

It is also necessary for all installations to widely apply the system of product contracting with laborers under appropriate form and from the low to high level with the aim of encouraging producers to try to fully understand and correctly apply the fertilization method and the use of other technical materials in a spirit of thrift so as to achieve the highest effectiveness.

Since we are still lacking in chemical fertilizers, if we apply technical measures correctly while improving the management mechanism and implementing strictly the policies designed to stimulate production, we will still be able to fully accomplish the norms on productivity, area and gross output according to the current winter-spring production plan.

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CSO; 4209/134

AGRICULTURE

PRODUCT CONTRACTING IN SOUTHERN PROVINCES ADVANCED

Hanoi NONG NGHIEP in Vietnamese 5 Nov 82 p 3

[Article by Le Tuat, Management Board of Central Agricultural Cooperatives, Installation 2: "Agricultural Transformation With Product Contracting in Nam Bo Provinces"]

[Text] During the 1981-82 winter-spring season, the former Nam Bo provinces expanded product contracting to old collectives and cooperatives in order to strengthen them and raise their quality, while mobilizing the masses to build new collectives in close association with product contracting. As a result, the cooperativization movement clearly achieved progress. In the first 6 months of the year, the provinces set up an additional 2,887 collectives--an almost 60 percent increase as compared with the 2nd semester of 1981--bringing up the total of collectives to 7,713 units, including 182 cooperatives with 15 percent of the households taking part, and about 11 percent of land being collectivized. In addition, over 28,000 solidarity production units have been set up.

Overall, the agricultural cooperativization movement has clearly proceeded toward stability, leaving behind the sluggishness of 1980, and causing a new momentum for future development.

Nevertheless, the movement still is uneven. The change is strong in the Mekong Delta provinces and weak in a number of eastern ones. Even within a province with a fairly good track record, one can find districts still unresponsive to change and villages still incapable of setting up a single collective. Many localities used product contracting as a shortcut to bringing the masses into collectives, skipping the basic proselytization work needed to mobilize peasants to embrace collective production. It is worth mentioning that many localities have not carried out, either land distribution readjustment, or radical land collectivization. Management work in general and product contracting in particular, in collectives and cooperatives, have experienced major changes, which in turn have strengthened and stepped up the cooperativization movement. Presently, 4,329 collectives and 127 cooperatives practice product contracting, representing 54 percent of all existing collectives and cooperatives. Compared with the end of 1981, this is a fourfold increase. Collectives

and cooperatives involved in product contracting have achieved good results--increase in productivity and volume of production, proper support of three interests, enthusiasm among the masses, consolidation of existing collectives and development of new ones.

Nevertheless, aside from strong points, many weak ones remain. Since product contracting is a new and complex work, its effectiveness still is low. Many localities have carried out product contracting in an aberrant and awkward manner; worse yet, some places have been misunderstood and misapplied Directive 100 of the central echelon, in terms of its spirit and letter. In recent days, in general the consolidation and development of production collectives and cooperatives have taken a turn for the better. However, many flaws still need correction. First of all, the localities must strengthen control over collectives and cooperatives, focusing on those units engaged in product contracting to help them promptly foster strong points, and correct weaknesses and errors on the spot.

While exerting control, the localities must draw experiences with which to guide collectives and cooperatives to correctly carry out Directive 100 of the party Secretariat, and Circular 18 on product contracting of the Ministry of Agriculture.

Product contracting has become a mass movement. The localities must hold meetings to review preliminary results and assess the movement, and also to draw experiences which the leadership needs as a feedback. Following the review and selection of outstanding models, the localities must hold collective study sessions to prepare for stepping up the movement. At the same time, they must step up the training of existing and new cadres for the movement, first of all, village and hamlet cadres, collective management cadres and chief accountants.

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CSO: 4209/144

AGRICULTURE

MINH HAI MARITIME PRODUCTS SECTOR SAID TO MAKE PROGRESS

Hanoi NHAN DAN in Vietnamese 13 Oct 82 p 2

[Article by Xuan Mai: "The Rapid, Strong Advance of the Minh Hai Maritime Products Sector"]

[Text] With more than 300 kilometers of shoreline, a fishing ground more than 2,000 square kilometers in extent, five large river mouths, many rivers and streams, hundreds of thousands of hectares of paddies, ponds, lakes, and saltwater-flooded forests, nearly 350,000 fishermen, and hundreds of experienced agricultural workers who both grow grain and fish, Minh Hai clearly has great capabilities with regard to maritime products. The Minh Hai maritime products sector has been acknowledged to be the province's second greatest economic strength, after grain production.

Due to the after-effects of the serious wartime destruction, the difficult economic conditions, and the obstacles of the administrative supply-as-needed management mode, and the lack of rational investment and price policies, the Minh Hai maritime products sector had not yet been able to bring its strengths into play, has for many years failed to attain the plan norms assigned by the state, and has operated at a loss. The quantity of fish and shrimp caught has declined every year. In 1976 total output amounted to 71,000 tons. By 1977 it had fallen to 65,000 tons. By 1979 it had declined to 31,000 tons, and in 1980 it amounted to only 40,000 tons. The quantity of fish and shrimp purchased by the state has also declined. In 1977, a good year for state purchasing, the total was 13,971 tons. In 1980, the state purchased only 6,340 tons, etc.

That serious decline has caused negativism and pessimism among the sector's cadres and personnel, from the provincial level down to the district level. Many people have sold their boats or fishing nets and changed over to other trades or are not content in their production.

Implementing Directive 291 TTg regarding the compartmentalization of sectors and trades, and Directive 330 TTg regarding the improvement of the fishing trade, of the Council of Ministers, Minh Hai has affirmed the importance, potential, and characteristics of its fishing trade, while also clearly determining the specific responsibilities and obligations of the sections and sectors in the province toward that "economic spearhead" sector and bringing about a strong transformation in ideological consciousness and combined strength, in order to stably advance the maritime products sector.

The maritime products sector redefined the fishing grounds and the fishing season, and improved and constructed two frozen shrimp processing plants at Canh Hao and Ca Mau, along with hundreds of installations producing fish sauce and ice enterprises to meet the needs of the maritime products sector. The province has expanded the movement for the entire population to raise and catch maritime products in the localities, in order to contribute to rapidly increasing total quantity of marine products that are caught and processed.

The province made use of a number of rational policies regarding materials and state purchasing norms so that the fishermen can be content and produce enthusiastically.

The fishing, purchasing, and processing personnel directly managed by the maritime products sector have been gradually rectified with regard to organization and a system of product contracting-out has been implemented in order to continually improve labor productivity, product quality, and the workers' sense of responsibility. Specifically, with regard to state-operated fishing boats, the contracting-out is based on each trip out sea and each ship, and there is a division according to the results of each person's labor. The state purchasing cadres are assigned norms and receive bonuses based on the number of tons and the quality of products. Workers processing frozen fish and shrimp, producing fish sauce, or producing ice also contract-out processes or specific tasks of the production line, etc. Therefore, the sense of responsibility of the producers toward fresh products and the quality of processed products has been strengthened.

The Minh Hai maritime products sector has boldly carried out the decentralization of management to the district level in order to bring into play the combined strength of the party organization, the governmental administrations at the various levels, and the fishermen in the localities, in catching, raising, and processing maritime products. To date, four key maritime products districts in the province -- Nam Can, Gia Rai, Phu Tan, and Tran Van Thoi -- have bolstered the district maritime products sections, have a Level-3 corporation and more than 100 state purchasing stations and agent teams in the villages and hamlets, carry out two-way contracts, and supply materials and goods and purchase products on the spot.

After management was decentralized to them, many districts organized conferences to encourage the peasants and fishermen to raise maritime products, along with afforestation and intensive cultivation of rice. In Minh Hai there have appeared many production bases which combine agriculture, forestry, and fishing, and have attained good results. The peasants of Nam Can combined the raising of shrimp with the afforestation of mangrove forests. Long Dien Dong K village in Gia Rai District both grows rice and raises shrimp. After a salt-making season the Dong Hai State Farm in the city of Minh Hai raises shrimp, which results in high economic effectiveness. Because it has taken many positive and creative measures, since 1981 the Minh Hai maritime products sector, although it still has many difficulties regarding materials, fuel, ship and boat equipment, nets, etc., has gone all-out in production and has surpassed all state plan norms regarding the catching, purchasing, and processing of maritime products. In 1980 the total catch amounted to 40,000 tons but only 6,340 tons were purchased by the state. In 1981 the total catch amounted to 61,450 tons. During the first 6 months of this year the provinces purchased 13,880 tons, equal to the amount purchased in all of 1981 and was doubled the amount purchased in 1980.

During the remaining months of 1982, Minh Hai will go all-out to meet and surpass the 1982 plan norms before the deadline.

In order to develop stably in future years, the Minh Hai maritime products sector will promote the improvement and development of new production forces and the step-by-step perfection of an appropriate management structure.

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CSO: 4209/127

AGRICULTURE

NGHIA BINH FULFILLS GRAIN MOBILIZATION NORM

Hanoi NHAN DAN in Vietnamese 13 Oct 82 p 1

[Article: "Nghia Binh Fulfills 1982 Grain Mobilization Norm"]

[Text] As of 30 September Nghia Binh Province had deposited in its granaries nearly 75,900 tons of grain, 1.2 percent more than the 1982 grain mobilization plan norm. The province also used materials, goods, and money to buy grain at negotiated prices and in exchange for goods, and mobilized more than 19,200 tons beyond the obligatory amount.

Five units -- the districts of Tuy Phuoc, An Nhon, Hoai Nhon, and Vinh Thanh, and the city of Quy Nhon -- fulfilled their annual grain mobilization norm. Also by the end of September the province had surpassed by 7 percent the norm regarding the delivery of grain to the central echelon, although its norm had been increased by 50 percent.

During this year's summer-fall season the province deposited more than 23,000 tons in its granaries. Tu Nghia and Nghia Hanh districts were the first to fulfill their summer-fall grain mobilization plans.

Nghia Binh is going all-out to fulfill at an early date its plan to mobilize 26,000 tons of grain during this year's summer-fall season and increase its over-all grain mobilization level in 1982.

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CSO: 4209/127

AGRICULTURE

BINH TRI THIEN NEW ECONOMIC ZONE SAID TO PROSPER

Hanoi NHAN DAN in Vietnamese 13 Oct 82 p 2

[VNA News Release: "Binh Tri Thien: Nam Dong New Economic Zone Becomes More Highly Populated and Richer"]

[Text] During the past 6 years more than 5,268,000 dong have been invested in the Nam Dong new economic zone in Phu Loc District, Binh Tri Thien Province, of which the ethnic minority people contributed 2.7 million dong, to build material-technical bases to serve the public welfare works.

The Phu Loc New Economic Zone Section, along with the villages of Huong Loc, Xuan Loc, Huong Giang, Huong Phu, Huong Huu, Huong Son, etc., concentrated its efforts on building 24 medium and small water conservancy projects to permanently irrigate 218 hectares of rice paddies and bring 5,000 additional hectares into cultivation. There were constructed in the area six bridges and 14 kilometers of roads connecting the villages in the new economic zone. The people constructed sluices, eight general schools, five clinics, 22 drying patios, 53 water wells, and hundreds of public sanitation works.

The state invested in the construction of three sundry goods-food stores, two markets, a wired broadcasting station, a general hospital with 100 beds, and many installations to serve production and life in the new economic zone.

In 1982 the new economic section invested 1.2 million additional dong to build more than 10 communications, water conservancy, education, and other installations.

At present, Nam Dong is a highly populated and rich new economic zone of Binh Tri Thien province. Since 1978 the new economic zone has not only met its own food needs but has contributed to the state more than 2,000 tons of foodstuffs and many valuable agricultural and forestry products for export.

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HEAVY INDUSTRY AND CONSTRUCTION

HIGH PRODUCTIVITY OF INDUSTRIAL, HANDICRAFT INSTALLATIONS REPORTED

Hanoi NHAN DAN in Vietnamese 27 Nov 82 p 1

[Text] Over the past 10 months, industrial, small industry and handicraft production in the Ho Chi Minh City area has amounted to nearly 3 billion dong--49 percent up over the same period last year. This includes 1.68 billion dong--an increase of nearly 68 percent over the same period in 1981--which has been achieved by the small industry and handicraft sector. In particular, many types of staple products made by some enterprises and factories of the state-operated industrial sector have underfulfilled the plan norms.

Within the framework of the yearend emulation movement, many enterprises have accepted supplemental production plans. The Vinh Hoi Rubber Latex Processing Factory has agreed to process 500 tons of rubber into a finished product which will raise the overall yearly output to 4,500 tons and will double the monthly latex processing output in the fourth quarter as compared with the average output achieved in the first months of this year. The Ben Nghe Lumber Enterprise has agreed to produce 3,100 cubic meters more of lumber, thus raising the 1982 yearly output to 15,852 cubic meters. In October, this enterprise fulfilled nearly 53 percent of the plan norm for the entire fourth quarter. Throughout the past 10 months, this enterprise produced 14,378 cubic meters of lumber representing 90.7 percent of the yearly plan norm and nearly 158 percent of its output in the same period last year. Domestic Animals Feed Enterprise No 3 has agreed to produce an additional 2,000 tons of feed in the last 2 months of this year after fulfilling the whole yearly plan for 7,000 tons. By the end of October, Saigon Port has fulfilled the yearly plan and has agreed to handle 150,000 more tons of goods in the last 2 months of this year. The ready-to-eat vermicelli and monosodium glutamate combine has yielded 504 tons of products as against the 500 tons required by this year's plan. This combine is trying to produce a further 150 tons of monosodium glutamate in the last 2 months of this year and, by doing joint business with export corporations and various provinces, is producing shrimp puffs for export and resuming the production of ready-to-eat vermicelli.

The Federation of Textile Mills has also accepted a plan to produce 2 million more meters of fabric. The Dong Nam and Dong A Cotton Fabric Factories and the Vinh Thinh, Thanh Cong and Phong Phu Woollen Cloth Factories rank among

the units which have substantially fulfilled the production plan norms. Over the past 10 months, the Vinh Thinh Woollen Cloth Factory, the Binh Loi Blanket Factory and the Thanh Cong Textile Mill have fulfilled from 90 to 96 percent of the yearly plan norms. The Thanh Cong Textile Mill has fulfilled 96.6 percent of the gross output value, 105 percent of the plan norm for coarse fabrics [vair haj mays] and 84 percent of the plan norm for finished fabrics [which is equivalent to 80 percent of the output for last year as a whole]. An encouraging achievement is the fact that though the fixed rate is only 90 percent, nearly 95 percent of the products manufactured by this mill conforms to the quality standard for Class A. For the last 2 months of this year, the Thanh Cong Textile Mill has agreed to produce 80,000 more meters of coarse fabrics (equivalent to 25 percent of this year's plan as a whole).

The enterprises and factories which have accepted supplemental production plans have launched an emulation movement to save supplies and raw materials, to use equipment to full efficiency and to ensure product quality. Production installations have improved production lines, strengthened the on-the-spot inspection and control network as well as the management of production sectors and groups, reformed private production bases and implemented incentive economic policies to encourage laborers to work well, achieve high productivity and ensure the high quality standard of products.

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CSO: 4209/134

LIGHT INDUSTRY

PROBLEMS IN EXPORTING HANDICRAFTS REPORTED

Hanoi TIEU CONG NGHIEP-THU CONG NGHIEP in Vietnamese 8 Nov 82 p 4

[Article by Th.S.: "Hanoi Handicraft Exports"]

[Text] The 1982 Hanoi plan called for an export value of 287 million dong, of which 126 million--43.8 percent--came from handicraft goods. Compared with 1981, handicraft exports have developed at a fairly fast pace, posting a 70 percent increase. This year, notwithstanding encompassing difficulties, handicraft workers in Hanoi have strived to contribute to plan fulfillment. In 9 months, they have reached 100 million dong--79.3 percent of the year's plan.

It must be clearly stated, however, that Hanoi's handicraft exports are confronting a major problem--quality.

Recently, customers have refused to buy a few thousand square meters of carpet of various kinds; other sales were returned by users. Up to 60 percent of wool carpets failed to achieve quality standards, although that item represents a very low export value. That situation has led customers to propose suspension of contract production and to sue for damages.

Like carpets, rattan and bamboo goods have a big export value. A special feature is that they are made from domestic raw materials, but their quality is declining. A customer has compared current samples with the ones produced 5 years ago to support the claim that quality has deteriorated.

Embroidery goods also are in the same boat.

In addition to poor quality, Hanoi's handicraft artifact exports are too monotonous and poor in both subject and style.

The Hanoi Federation of Import-Export Corporations has conducted a self-study and met with production installations in search of remedial action. The following corrective measures have been adopted:

- Firmly consolidate commodity testing and commodity acceptance. Personnel in these organs must have a high degree of technical capability and

responsibility. Attention must be paid to production technique at each production stage. In carpet production, they must be aware of the dyeing technique. Dyeing not in line with technique will damage, not only colors, but also fiber quality. Commodity acceptance personnel must closely examine batches of goods produced at year's end, a time when everyone and every production installation tends to scramble for plan fulfillment.

- Consolidate storage facilities. The Hanoi Federation of Import-Export Corporations has taken steps to consolidate storage facilities. Thai Ha Enterprise has promptly met that requirement.

The Hanoi Federation has also asked cooperatives, which produce goods for export, to pay attention to industrial sanitation. To overcome the monotony and poor quality in subject and style, the Hanoi Federation considers investing capital in test producing new commodities. Handicraft export value will reach 216 million dong in 1983, 242 million dong in 1984 and 316 million dong in 1985.

To carry out successfully the above plan, the Hanoi Federation must do a series of different things. Besides cooperating with the central echelon to draw up plans and fulfill import and export norms in order to obtain capital, raw materials and supplies for expanded reproduction, the Federation must also:

- Invest capital in training workers and buying equipment and machinery: In 1982, the city's export production plan called for an additional 20,000 workers. In 9 months, the city has trained about 10,000 workers, with emphasis on production of Venetian lacework, wool carpets, and rattan and bamboo artifacts. Subsidy levels for vocational training have been concretely set: 60 dong per month for each trainee from the agricultural sector; 85 dong per month for each nonagricultural trainee entitled to buy rice at 0.40 dong per kilo; and 105 dong per month for any trainee who must buy rice at 3 dong per kilo. The federation has adopted a plan, and is in the process of procuring capital for making 1,300 carpet-weaving looms and acquiring other necessary equipment. About 50 million dong will be spent this year on these 2 projects.

In the next few years, the federation will employ about 10,000 new workers each year with a view to increasing exports and also to finding employment for youths entering the labor force.

- Rationally set product purchasing prices: This is a very complex work, but the federation has strived, and will strive, to address it within its own province. In the past year, purchasing and contract prices of many commodities have been changed, in relative conformity with economic fluctuations.

At present, the purchasing prices of some commodities--for instance, the Long Bien jute carpet--are still inappropriate. The Federation of Jute Corporations has discussed the problem and has petitioned for a price change. The state has set the purchasing price of Venetian lace at 650

dong per square meter, a price which laborers in Hanoi have not been able to meet. The federation has requested the upper echelon to adjust the local price to 1,200 dong per square meter. Hanoi pursues the policy of taking advantage of its labor source, and of raw materials--both domestic and imported--to step up production of handicraft goods for export.

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CSO: 4209/144

LIGHT INDUSTRY

CONSTRUCTION, INSTALLATION OF VINH PHU PAPER MILL COMPLETED

Hanoi NHAN DAN in Vietnamese 25 Nov 82 p 1

[Text] Built with Swedish aid, the construction and installation of the Vinh Phu Paper Mill have been completed and the mill has been uniformly put into use. A ceremony will be held tomorrow 26 November to inaugurate it.

The total area grown with trees to produce the raw materials needed by the mill is 800,000 hectares. The mill area is composed of 10 principal construction works and over 20 auxiliary ones including a paper pulp producing shop with a yearly output of 48,000 tons, a 2-pulping-machine shop, a chemicals shop with a yearly production of 30,000 tons of chlorine and nearly 17,000 tons of liquid soda, an electric shop constituted by 2 turbines with a total output of 28,000 kilowatts, a water shop with a daily water supply capacity of 6,000 cubic meters, a port designed for the handling of raw materials, a limekiln and so forth. This homogeneous, integrated and closed system of works is sufficient for the mill to produce each year 55,000 tons of paper of various kinds. In particular, the electric output surplus will be transmitted to the network for merging with the overall system.

During the construction process, Corporations No 22 and 6 and Machines Installation Enterprise No 3 subordinate to the Ministries of Building, Forestry, Light Industry and Communications and Transportation and to Vinh Phu Province coordinated closely with foreign specialists to apply managerial measures suitable to the characteristics of a large work site using many mechanized means and to overcome numerous difficulties with materials, equipment transportation and life organization. The work site leveled and bulldozed more than 1 million cubic meters of earth and rock, poured nearly 100,000 cubic meters of concrete, installed nearly 7,000 tons of industrial equipment and 133,000 meters of pipes of various kinds, built 2 nurseries to grow over 1 million saplings and so forth.

On 29 November 1980, the first pulping machine was put into operation. With the amount of pulp bought from Sweden, this pulping machine produced 7,000 tons of paper in 1981. In the second quarter of this year, the second pulping machine was put into operation. On 31 August [1982], the paper pulp shop experimentally started production by using domestic raw materials and obtained a good result. On 30 October [1982], the chemicals shop was handed over to the production units. To date, the whole mill has been uniformly put into operation 5 months ahead of schedule and has produced nearly 16,000 tons of paper of different kinds.

Over 2,000 workers and cadres of the Vinh Phu Paper Mill have undergone training and advanced training and are trying to overcome weak points and to improve the equipment operation and management system. State forests are planting more trees, rearranging forests and promptly exploiting and carrying raw materials into the paper mill.

9332

CSO: 4209/134

LIGHT INDUSTRY

HO CHI MINH CITY CONSOLIDATES LIGHT INDUSTRY COOPERATIVIZATION MOVEMENT

Hanoi NHAN DAN in Vietnamese 14 Oct 82 p 2

[Article by Nguyen Trung: "Ho Chi Minh City Consolidates Its Small Industry and Handicrafts Cooperativization Movement"]

[Text] After the south was liberated the small industry-handicrafts sector of Ho Chi Minh City began to restore and develop itself so that it could become a force which positively aided the state economy. The sector employs a large number of workers and produces a large quantity of goods to meet the needs of domestic consumption and export. In 1977 it employed more than 101,000 workers and by the end of 1981 it employed more than 165,000. The total value of production has increased, from 338 million dong in 1977 to 1,438 million dong in 1981 and nearly 1,671 million dong during the first 9 months of this year. The first five small industry-handicrafts cooperatives were formed at the end of 1976 and the first part of 1977. To date the municipality has set up more than 200 cooperatives. Every precinct in the city proper has between 9 and 22 units, and precinct 10, Binh Thanh, Precinct 1, and Tan Binh have at least 20 cooperatives. The districts outside the city have also set up between 1 and 8 units. In 1980 the sector set up 15 additional cooperatives and in 1981 21 units, but during the first 6 months of this year only one cooperative has been set up. The precincts and districts realize that it is more important to strongly consolidate the existing bases than to set up new ones, to be cautious in bringing the production bases onto the path of cooperativization, and to completely abandon impetuous organization and the hasty pursuit of a high rate of cooperativization, as has been the case at times and in places.

In general, when organizing a cooperative the sector usually investigates, examines, and correctly guides the operational mode of the installation. But then it normally pays little attention to helping consolidate the socialist production relations and raising the level of management. That situation has resulted in the quality of cooperativization and management not meeting the requirement of expanding the movement and has created an opening for the rise of spontaneous capitalism and adversely influenced the market and society. Especially, product quality has declined and the goods that are produced cannot be concentrated in the hands of the state. In addition to the cooperatives which have made stable progress, there have appeared some which are weak and deficient, and even imperiled by disintegration.

Clearly realizing that situation, the Municipal Party Committee and the Municipal People's Committee emphasized improving the quality of the small industry-handicrafts

cooperativization movement. Beginning in the second quarter of this year, the Cooperative Federation of Ho Chi Minh City began to study, and implement on a trial basis, the consolidation of cooperatives by means of a system of 36 evaluation standards, set up by the sector itself, which was regarded as the most important method for extensively consolidating the cooperatives and strengthening their management throughout the sector in the coming period. Good results were attained in the trial application of those standards in Binh Thanh Precinct. At the beginning of July they were implemented on a large scale, in accordance with a program to strengthen the management of small industry-handicrafts in all 17 precincts and districts.

The system of 36 evaluation standards was drafted on the bases of the experiences of more than 200 cooperatives during recent years. It is a system which generalizes the core tasks and ensures the basic contents and requirements in the management of a small industry-handicrafts cooperatives. By calculating points the system helps categorize the cooperative and find ways to consolidate it so that it can make progress and overcome its weaknesses and deficiencies.

The cooperative federations at the various levels have done a good job of organizing study so that the system of standards could be fully understood, while also sending cadres to help the precincts and districts carry out strict evaluations. The management boards, control sections, chief accountants, and executive committees of the mass organizations were responsible for all aspects of building and developing the installations and for guiding their daily activities, so they had the responsibility and conditions for drafting the installation's quality evaluation standards. The drafts were presented to cooperative member congresses so that they could review the evaluations of the cadres in charge and make a collective evaluation. That was a form of criticism and self-criticism in economic management at the base level in order to improve the knowledge and ability of the workers and strengthen the sense of responsibility toward the production base. The cooperative members seethingly contributed opinions regarding the contents of each point brought up in the Moter Vehicle Machinery Cooperative, the Ngoc My Tailoring Cooperative (Precinct 8), the 8-3 Rattan-Bamboo-Leaf Cooperative (Precinct 3), the Dai Thanh Tailoring Cooperative (Precinct 10), the August and Dai Dong machinery cooperatives and the Quang Minh textiles cooperative (Precinct 6), etc. The members of a cooperative in Precinct 6 requested that its grade in the cooperative's draft evaluation be lowered because it had not carried out the open finances task, the prices of its production means was low; it had not yet returned that money to the cooperative members; it still allowed the loss of raw materials and materials, was not concerned with the living conditions of the cooperative members, paid little attention to the activities of the mass organization, etc. Precincts 4 and 6 requested the frank, constructive opinions of the subward party committees, people's committees, and cooperative labor associations.

After the cadres and cooperative members reached agreement on the evaluation of their installation, the precinct and district cooperative federations, in combination with the local administrations and the relevant organs, sections, and mass associations were responsible for reviewing it. In general, that exploratory step was taken very carefully and helped evaluate the situation rather accurately and point out many remaining problems which must be resolved in management in the bases and

localities. Most of the cooperatives were evaluated accurately. The grades of some units which had evaluated themselves too severely -- such as the August Machinery Cooperative in Precinct 6, the Tien Phong Cooperative in Binh Thanh, the Rattan-Bamboo-Leaf Cooperative in Precinct 3, the Dong Tien Cooperative and Thong Nhat Tailoring Cooperative in Precinct 4, etc. -- were raised by the conferences. There were also cooperatives which had not yet boldly brought out their weaknesses and deficiencies because they did not yet fully understand the requirements of the present consolidation plan. In Precinct 6, two cooperatives concealed their inaccurate reporting of income and number of workers, so that they could receive additional grain. In Precinct 11 one cooperative inaccurately evaluated itself with regard to all seven standards with regard to which it was still deficient. In Precinct 4 a cooperative concealed its loss of state materials and raw materials. In Precinct 8 one place concealed a fatal work accident. The grades of those cooperatives were lowered. A cooperative in Precinct 11 was even reduced from Category A to Category C. That review served to bolster the managerial skill of the cooperative and governmental administration cadres, most noticeably in Precinct 6.

Although the degree of truthfulness and accuracy in evaluation and categorization in the precincts and districts could not have been uniform, in general the evaluations accurately reflected the management situation of the cooperatives. The overall results showed that of the 196 cooperatives that were categorized, only 64 units were in Category A, had good management, and were worthy of the designation "cooperative." Some 68 units were categorized Category B1, had fair management, and met between 75 and 90 percent of the contents and requirements of the system of evaluation standards. Some 42 units were classified Category B2 and had weak management. And 22 units were classified Category C, had deficient management, and attained an average of under 55 percent of the contents and requirements. Furthermore, eight cooperatives were not evaluated because the precincts and districts regarded them as excessively deficient and as about to be dissolved or merged with other cooperatives. Thus 132 cooperatives belonged to the "fair" and "good" categories and 30 units were deficient or excessively deficient. That demonstrated clearly that although only the fair and good production teams were permitted to become cooperatives there was later a rather profound differentiation depending on whether management was tight or loose.

Among the various aspects of management, there were two tasks which were carried out especially well: 68.6 percent of the cooperatives managed materials and raw materials well and 67.4 percent managed output plans well. Of seven standards regarding plan management, two standards received especially high scores: 84.6 percent of the cooperatives turned over all of their output to the state according to the contract and 86.7 percent of them sold self-produced goods to the state economic organizations or to collective economic. With regard to other aspects, such as the organization and regulation of technical, financial, and labor organization, only average levels were attained. The political-ideological task and concern for the material lives and morale of cooperative members, which have not kept up with the rate of development of the mass movement, are still the weakest aspects of cooperative management. Only a very small number of cooperatives, such as the Dong Tam Cooperative in Go Vap Precinct and the Dai Thanh Cooperative in Precinct 10, have done a good job of caring for their members' living conditions.

The evaluation of cooperatives by means of the system of 36 standards practically benefitted each cooperative, and the over-all management system, of the small industry-handicrafts sector and was the initial basis for long-range, continuous consolidation in the future. The municipality and the precincts and districts have plans for consolidating the cooperatives. The decisive factor is that each cooperative must draft a consolidation plan that is appropriate to its circumstances. During the last months of 1982 and in 1983 Ho Chi Minh City will set forth the missions and common directions for consolidating the cooperatives: endeavor to improve the ability and management of the cooperatives, bring all cooperative activities onto the socialist commercial path of advancing from a low level to a high level, and resolutely eliminate negative phenomena, bring into play the negative aspects, overcome the deficiencies in management, increase the ratio of "good" and "fair" cooperatives to between 80 and 90 percent, and eliminate the deficient cooperatives which do not meet the cooperative standards.

The small industry-handicrafts cooperatives are drafting consolidation plans and holding cooperative members' congresses to discuss measures to advance the cooperative, while also organizing study of the Draft Vietnam Small Industry-Handicraft Cooperatives Statutes, studying the state laws relative to the sector, preparing to perfect the management boards and control boards, and perfecting the socialist production relations.

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